IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

JULIE CHRISTOFFERSON TITCHBOURNE,)
)
Plaintiff,)
)
vs.) No. A7704-05184
)
CHURCH OF SCIENTOLOGY, MISSION)
OF DAVIS, a non-profit California)
corporation, doing business in)
Oregon; CHURCH OF SCIENTOLOGY)
OF CALIFORNIA, a California)
corporation, doing business in)
Oregon; and L. RON HUBBARD,)
)
Defendants.)

EXCERPT OF PROCEEDINGS

Volume V - Pages 3336 to 3499
Testimony of Gerald D. Armstrong

March 28 - 29, 1985

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Portland, Oregon

come to that issue when we quit at 5:00, gentlemen.

MR. WADE: Your Honor, we will call Mr. Gerald Armstrong.

THE CLERK: State your full name and spell it for the record.

THE WITNESS: Gerald David Armstrong. G-E-R-A-L-D, D-A-V-I-D, A-R-M-S-T-R-O-N-G.

GERALD D. ARMSTRONG,

called as witness in behalf of the plaintiff, having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WADE:

Q. Yes, Mr. Armstrong, I would like to ask you first your age?

A. Thirty-eight.

Q. And I would like to ask you if you ever were a member of the Church of Scientology?

A. Yes, I was.

Q. When did you join the organization?

A. 1969.

Q. When did you leave the organization?

A. 1981.

Q. What was your position at the time you left the organization?

A. I was the -- it was called LRH Researcher, was the title of the position. I was doing research for a biography to be done on L. Ron Hubbard.

Q. I want to take you back now and I would like you to give the jury a short summary of your background before you joined the Church of Scientology.

A. I was born in Chilliwack, British Columbia, and I grew up in Chilliwack, and I went through elementary school and junior high and high school in Chilliwack. And after high school, I became a logger and I logged for about four years until I got involved with Scientology, which was 1969.

Q. What was your first contact with the organization?

A. It's hot in here.

Q. Pardon?

A. It's just hot.

THE COURT: Some of the jurors say it cold. I can't satisfy everybody.

THE WITNESS: It's okay.

I was contacted by an individual in Chilliwack by the name of Roger Bennett and he had been involved in Scientology in Vancouver, British Columbia and Toronto, Ontario Canada.

BY MR. WADE: (Continuing)

Q. What was the name of the organization, when you first joined?

A. Well, the first Scientology group that I entered was called Scientology Little Mountain and it was called a franchise to differentiate it from an org or an organization.

Q. Did you take any courses or were you processed, any courses or processing at Scientology Little Mountain?

A. Yes.

Q. Would you describe for the jury the courses you had and the processing that you had.

A. Initially I took what's call the communication course. And then I enrolled on the Dianetics course, it was called the Hubbard Standard Dianetics Course. I took the communication course in the fall of 1969. And in the winter of 1969 into 1970, I did the Dianetics course. In 1970, I had auditing on what were called the Scientology grades.

Q. Did you work for that organization?

A. Yes, I did.

Q. Would you briefly describe your duties and posts or hats, your jobs.

A. The first thing that I did was assist in running the communication course. After that, I actually ran it myself. And then I became the second, I guess, in charge of the franchise, and I sold books, sold people courses, I gave lectures. I took care of finances, banking. I mimeographed issues, I wrote letters. I got people into the organization.

Q. When did you leave Scientology Little Mountain?

A. In the beginning of 1971.

Q. Where did you go?

A. I flew to Los Angeles.

Q. What did you do in Los Angeles?

A. In Los Angeles, I joined what is known as the Sea Organization.

Q. How long were you in the Sea Organization?

A. From the beginning of 1971 through the end of 1981.

Q. I would like you to summarize, and we can go back to the details later, your job titles and duties with the organization, telling us where you were from February of 1971 until 1980.

A. Okay. When I was first in Los Angeles, this would be the beginning of February 1971, I signed my Sea Organization contract in an office. And then I was taken out to a ship, which was then in Long Beach Harbor called the Bolivar, and on board -- I spent about a week on board the Bolivar, and then I just did basic training. I really did not have a position on the Bolivar. Then I was flown to Tangier, Morocco, which is where the Apollo, which was the Flag Ship of the Sea Organization. It was the ship on which L. Ron Hubbard was.

And this would bring us about to February 12 or so of 1971. Initially I worked for a couple of weeks in the -- as an assistant storesman, then I spent a few days washing dishes in the galley. And I was transferred to the Deck Project Force where I spent probably another couple of weeks.

Then I was posted to what was called ships, boats and transports in charge. And I was responsible for the lifeboats and the vehicles which the -- were used on board the ship. And I did that for a month or so. Then I was assigned as the ships driver. We had a small Fiat car which was used in the ports that we visited for the transport of people around in those ports.

I did that until the beginning of 1972, at which time I became the assistant ship's representative and in that, I was in charge of legal affairs for the ship. Dealing with customs, dealing with the immigration, dealing with the police and that sort of thing. Then I became the ship's rep, ship's representative after about a month and I did that post for, I guess about a little over two years.

Then I had a public relations post. This post and all the posts that I subsequently had on board the ship were in what was called the Port Captain's office. And after the public relations post, then I was, for a brief time, possibly a month, Port Captain. Then I was responsible for shore relations and was the titular captain of the ship while we were in port.

I then did a number of what were called port setup missions. I traveled -- We were at that time in Morocco and Portugal and we did a number of these missions to Spain and opened up some new ports for the ship in Spain.

And then the ship left Europe, and I came ahead, flew ahead and got some ports for the ship in Bermuda and the Bahamas. Subsequently another one in Jamaica.

And this brings us up until sometime in probably November of 1974, at which time I became the intelligence officer on board the ship. And I was the intelligence officer until I left the ship in the fall of 1975.

Everyone was leaving the ship at that time and they were base in Clearwater, Florida. As an initial staging area, we had a base also in Daytona Beach, Florida, and I was assigned there as an intelligence officer in the Guardian's Office. And I spent maybe three weeks, maybe a month, in the Guardian's Office as intelligence officer, and then for a very few days, I was a mimeo operator, mimeographing mission orders.

And then I became the Deputy LRH External Communications Aid. LRH being L. Ron Hubbard. And I did that position until 19 -- until the end of June, I guess. End of May, 1976. And I was stationed at that time in -- first of all, Dunedin, Florida, then at -- in an apartment complex that we had in Culver City, which is a suburb of Los Angeles in California.

And then I spent three weeks in what was known as Fifield Manor in Los Angeles. That was the head of the United States Guardian's Office. And then I was sent to Clearwater and I spent seventeen months on the Rehabilitation Project Force.

And then for a brief time -- this brings us up to December 1977, I was a proofreader and then I did a brief mission to Los Angeles. And at the end of December, 1977, I was transferred to La Quinta, California. And La Quinta was the location where L. Ron Hubbard was shooting movies, Scientology movies.

And I spent the next year on the La Quinta properties or properties connected to the La Quinta properties, either involved in movies or back on the Rehabilitation Project Force.

And this brings us up to 19 -- the end of December -- beginning of December 1978. And I was then transferred to Gilman Hot Springs, California. An that was going to be the new base after the La Quinta in California. And I spent up until the beginning of 1980 at La Quinta and I was in charge during much of that period, that was 1979, of renovation being done on L. Ron Hubbard's house and offices at La Quinta or Gilman Hot Springs. And I was in charge of his household unit at the Gilman Hot Springs property for a period of time.

And that brings us up to the beginning of 1980, which --

Q. Will you continue from there, and particularly with respect to the Gilman Hot Springs properties and what was happening there at that time.

A. The beginning of 1980, and this was a period when I was in charge of what was called the household unit, the household unit being the people who worked directly for L. Ron Hubbard, taking care of his households needs, his steward, taking care of the grounds of his house, taking care of his offices, his driver and a sort of thing.

At the beginning of 1980, there was a threat of a raid by the FBI or by some other law enforcement agency and all the people on the property, and there was probably a hundred fifty or two hundred of us, were ordered to vet or shred anything which showed that Mr. Hubbard controlled the organization, that he was living or had come to the property, had a house on the property, was intending to live on the property, was in charge of organization finances, and communications to the Guardian's Office.

MR. COOLEY: Your Honor, we previously made a relevance objection to this type of testimony. I would like to have it on an ongoing basis and I won't need interrupt again.

THE COURT: You may do so, Mr. Cooley.

MR. COOLEY: Thank you, Your Honor.

THE WITNESS: So, what happened then was, one of my juniors, a girl by the name of Brenda Black, came to me -- her position -- she was in charge of the -- what was called the LRH -- she was the LRH gear in charge. Gear being his personal belongings. And she had -- she was responsible for his belongings which were stored on the property. She came to me with a box of material, an old beaten-up box which had been stored in an old hotel on the property. And she asked me what to do with it, whether or not it should be shredded. And I looked at these materials and saw that within them were old diaries, old letters, that sort of material. Hubbard's personal material. And most of predated Dianetics, predated the beginnings of Dianetics, predated 1950.

So my opinion at that time was that they did not have any -- they didn't present any kind of a danger in that they predated the organization. They certainly couldn't show his control. And I saw that they had a great deal of a historical value. So with that discovery, I went with Brenda black, found some more boxes of these things, and wrote to Mr. Hubbard. I wrote him a petition stating what I had found.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to that, I'll hand you, Mr. Armstrong, exhibits that have been marked 181 through 201.

Could you identify Exhibit 85 --

MR. COOLEY: Have they been marked?

MR. MANION: Are they in evidence?

MR. WADE: No.

(Plaintiff's Exhibits 181 through 201 marked for identification.)

BY MR. WADE: (Continuing)

Q. What we can do, we can hand you one at a time. Can you identify Exhibit 181, Mr. Armstrong?

A. Yes.

Q. What is Exhibit 181?

A. This is a copy of the petition which I sent to L. Ron Hubbard. It's dated 8 January 1980.

MR. WADE: We would offer Exhibit 181, Your Honor.

MR. COOLEY: No objection, beyond the general objection I have already made, Your Honor.

THE COURT: All right. It will be received.

(Plaintiff's Exhibit 181 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, I would like to ask you some questions about the petition. The first question is who was the petition sent to? I notice there is a lot of carbon copies. Would you explain who you sent it to and who these people were.

A. The original of the petition was sent to L. Ron Hubbard. He's here designated R. Which is how within the organization at that particular level in the organization we sent him dispatches, memos of this type.

Q. Why did you send it to R?

A. Because R is L. Ron Hubbard and I was -- I was his junior working already on his materials as in charge of the household unit at Gilman Hot Springs, but also because I would be dealing with his personal archives.

Q. Why didn't you send it to L. Ron Hubbard instead of putting an R at the top?

A. Well, R was what we used at that time. The reason being to in some way hide the fact that it was L. Ron Hubbard, because we were not supposed to acknowledge the fact that we were in communication with him; it was for vetting purposes. It was to hide the fact that it was L. Ron Hubbard.

Q. And after that there's R on D. What does that mean?

A. It's an M on D.

Q. What does that mean?

A. That's messenger on duty. At all times with Mr. Hubard, there was a messenger who was on duty, and it rotated throughout the day, so that depending on the time that it arrived, it could have been one of several messengers, so correspondence at that time was just simply routed via M on D.

Q. What was the date of this document again?

A. 8 January 1980.

Q. And what did you seek -- what kind of appointment did you seek in writing the petition.

A. I sought to be able to gather up, assemble Mr. Hubbard's archives and to be able to do the research necessary to do a biography.

Q. Would you please read from the third page of 181 where it lists the prospective duties that you sought.

A. "Duties would include: collecting up all R val docs from around the world, ecept those actually needed in a specific location."

Q. What are R val docs?

A. These would be L. Ron Hubbard's valuable documents. It could be documents of any kind, but usually val docs were legal documents or original documents.

Q. Would you please read the next three -- in fact, the next four duties that you sought.

A. "Seeing to their proper preservation, including vault safe against fire and sabotage. Collecting up all R manuscripts and R writings of any kind possible. Surveying for and gathering up personal contact accounts for legal PR and biographical and anecdotal use."

Q. Were you also, I think, interviewing people for the same?

A. Yes.

Q. Did you receive a reply from Mr. Hubbard?

A. Yes, I did.

MR. WADE: Please hand the witness Exhibit 182.

BY MR. WADE: (Continuing)

Q. Would you identify Exhibit 182, Mr. Armstrong.

A. This is the -- a copy of -- a bad copy of the reply which I received from Mr. Hubbard.

MR. WADE: We would offer Exhibit 182, Your Honor.

MR. COOLEY: I don't know what this is attached to 182, Your Honor.

MR. WADE: Your Honor, attached -- I don't know if it's attached to the original exhibit, but attached to the books we have -- it is a bad copy and we have typed -- perhaps someone has had typed what it states. What the copy states. Just for the use so it's easier to read is the only reason for that.

There's an objection?

MR. COOLEY: I have no objection, subject to checking to make sure it is accurate.

THE COURT: Thank you.

Received.

(Plaintiff's Exhibit 182 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Would you please read Exhibit 182, starting with "Dear Gerry".

A. "Dear Gerry: This sounds like an excellent idea. You will have to be replaced properly, of course. Get with your senior and get this worked out and let me know what you have worked out. LR."

Q. What does LR stand for?

A. "Love, Ron."

Q. When did you receive this?

A. It's difficult to make the date out on this, however, it was approximately the 11th of January 1980, just a couple of days after I sent him the original petition.

Q. So your position was approved?

A. Yes.

Q. Would you please --

MR. WADE: Would you please hand the witness Exhibit 183.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify Exhibit 183?

A. Yes.

Q. What is that?

A. This was a reply which I received from Mr. Hubbard in response to what is called in the organization a new post nonexistence formula. I had come on to a new post and so I had, as part of the first duties of coming , written to Mr. Hubbard and requested of him what he then needed and wanted of me as I was on a new post.

Q. Are you referred to in this letter as senior PRO Researcher?

A. Yes.

Q. What is that? What does that mean?

A. It is the Senior Personal Public Relations Officer Researcher. Actually it's longer than that. It's the LRH Personal Public Relations Officer. I was in the office of L. Ron Hubbard's personal --

THE COURT: Just a second. He's reading a document that I haven't got marked here as received yet.

MR. WADE: We would offer Exhibit 183, Your Honor.

MR. COOLEY: I have no objection. I'm just a little confused as to the different dates. As to which is the approval of the petition and which isn't.

THE COURT: Well, if Mr. Wade can't straighten it out, perhaps you can when you get to it.

MR. COOLEY: Thank you, Your Honor. I have no objection.

THE COURT: All right.

(Plaintiff's Exhibit 183 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. This relates to your nonexistent formulas that you wrote to Mr. Hubbard about?

A. Yes.

Q. Explain to the jury exactly what a existent formula is, if you can.

A. Okay. When, in Scientology, a staff member comes onto a post, newly, he writes what is called -- part of the coming on post is to write to the various people with whom he will have communications or business, direct or long-distance, within Scientology organizations to let them know that he is on this new post to let them know what his duties will be, and to ask of them what they will need and want of him. So in this case, I did that of Mr. Hubbard, telling him that I was now on post and that I had collected up whatever I had done to that point and then asked him what did he need and want of me.

MR. WADE: Please hand the witness Exhibit 184 and 185.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify Exhibit 184?

A. Yes.

Q. What is that?

A. This is a reply from Mary Sue Hubbard to me on the nonexistence formula which I sent to her.

MR. WADE: We would offer Exhibit 184, Your Honor.

MR. COOLEY: I have no objection.

THE COURT: All right. 184 is received.

(Plaintiff's Exhibit No. 184 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Why did you seek Mary Sue Hubbard's approval?

A. I wasn't seeking her approval, I had already been approved by L. Ron Hubbard. But I was letting her know that I was on the position and I was letting her know that as she was the wife of the subject, we certainly would be having some communications and that I would be needing to contact her for research. I also knew that she was in charge of what were called Controller Archives, which was another archival depository within Scientology organizations, and that there would be materials which would be coming from there.

Q. I notice she mentions in the letter a book. Was a going to be written about Mr. Hubbard?

A. Yes.

Q. Would you explain to the jury what kind of book that was going to be.

A. Well, it was going to be a biography. It was going to be as complete as biography as I would be able to put together. I was not going to be the writer of the biography. We were planning to contact and contract an outside non-Scientology writer who would then do the biography based on the materials and the research which I was able to assemble.

MR. WADE: Please hand the witness Exhibit 185.

THE CLERK: He has it.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to Exhibit 185, can you identify that document?

A. Yes.

Q. What is it?

A. This was a letter which was written for me by L. Ron Hubbard's personal secretary, Pat Brice, in the summer of 1980 in order to facilitate my research and my contacting Mr. Hubbard's various living relatives and friends and old acquaintances and so on.

Q. I would like to you read the entire letter, please.

THE COURT: It's not in Mr. Wade.

MR. WADE: I would offer Exhibit 185, Your Honor. Excuse me.

MR. COOLEY: No objection.

THE COURT: 185 is received.

(Plaintiff's Exhibit No. 185 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Would you read the entire letter, please.

A. It's July 29, 1980. "To whom it may concern: This letter is written on behalf of Mr. L. Ron Hubbard, who I act as personal secretary to. We wish to introduce you to Mr. Jerry Armstrong, who is currently assembling information and documentation for a biography about Mr. Hubbard. This will be an extensive work covering all periods of his life. Jerry is conducting interviews of Mr. Hubbard's relatives and friends. Accounts of personal contact with Ron will be very valuable biographical material.

"Mr. Hubbard has given his permission for Jerry to do any research needed to assist the author of the biography, and to carry out these interviews, providing that you are agreeable, too. I am to convey to you that Ron would greatly appreciate any assistance you can give Mr. Armstrong in connection with this project.

"I can be reached via the above Tampa address if there are any questions. Sincerely, Pat Brice, personal secretary to L. Ron Hubbard."

Q. Mr. Armstrong, as a researcher, how long were you putting together documents and reviewing documents as the researcher for this biographical project?

A. Well, I began the begand I left the organization December 12, 1981. So throughout that period, almost two years. I continued thereafter, sporadically to assist the author as I could.

Q. I would like you to explain in some detail to the jury what documents you obtained, what documents you reviewed, and any other work that you did in researching the materials for a biography of Mr. Hubbard.

A. Okay. The initial documents which I accumulated or assembled were approximately twenty-one boxes of materials which I located in the old hotel on the Gilman Hot Springs property. Some of those materials appeared to be documents and letters and so on that Mr. Hubbard had thought had been stolen in 1953. This formed the basis of what came to be known as the Hubbard Archives.

In February of 1980, I moved all these materials from the Gilman Hot Springs property to Los Angeles -- to a Scientology complex in Los Angeles. Thereafter, I also obtained materials from Clearwater; from the Personal Public Relations Office in Clearwater; from files which were known as the Personal Secretary files; from files known as the LRH Personal Communicator files, these also came from Clearwater. The bulk of them had been stored off the Clearwater property following the FBI raid in 1977, and I just shipped them in bulk to the Los Angeles location. I obtained materials from what were known as Guardian's Archives in the United Kingdom, in Saint Hill, in Sussex, England. And I obtained materials from what were called Controller Archives, which were -- at that time, that was where a lot of originals of Mr. Hubbard's writings were stored in Los Angeles. I obtained materials from individuals outside of Scientology, a lot of those were purchased by Scientology organizations on -- at my request. And there were various other sources, but those were the major ones.

Q. How much did you spend for materials, which you had to purchase?

A. Well, there was one collection of old books which amounted to sixty-five thousand dollars, but the total amount spent would probably be in the neighborhood of eighty thousand, which would include that collection of books.

Q. You mentioned interviews and trips. Could you please tell the jury any trips you took in attempting to research L. Ron Hubbard's background.

A. I took a -- in the summer of 1980, I took a trip by myself coming up the West Coast up into Washington state. And at that time I interviewed three living cousins and one aunt very briefly, and I went to where he lived. He had spent a lot of time in Bremerton, Washington, and in Washington state.

In the spring of 1981, I went with Omar Garrison, who by that time had been contracted as the author of the book. And we also went up the West Coast and into Montana.

In the summer of 1981, I made a trip through the Midwest, and that was mainly a geneology study, because Mr. Hubbard's ancestors had come to the Midwest, and there were several generations of them back there. I made a trip up to Salt Lake City -- again this was a geneology study -- and one more to Carson City, Nevada, where we attempted to interview L. Ron Hubbard's eldest son.

Those are the major trips. There were little ones occasionally around the Los Angeles area that I made.

Q. What was the number of documents concerning Mr.Hubbard's background that you were able to obtain?

A. It's really difficult to estimate very closely, but I would say probably a half a million pages.

Q. Did you use any kind of system for reviewing and storing documents?

A. Yes.

Q. What was that system?

A. The materials which I initially decided had immediate biographical use for the author, I began to copy. And I made two copies of virtually everything that I did copy, and I put the copies into binders. The originals I kept in file cabinets inside the archives. And I provided one of those binders to the author and kept a duplicate set of binders also within the archives.

Q. During this period, how many days a week did you work on the project?

A. Well, from approximately the late spring of 1980, I worked full-time on it, right up until the time I left. And in the Sea Organization, that means that I got one day off every two weeks, so I worked thirteen out of every fourteen days, at least, on it.

Q. How many hours per day?

A. Generally twelve or thirteen.

Q. Did you review any documents concerning Mr. Hubbard's educational background?

A. Yes.

Q. His naval background?

A. Yes.

Q. His -- in fact, what I would like you to do is explain to the jury what the documentation -- the amount of documentation you had, if you had what you thought was complete documentation after this two-year period.

A. Okay. There was a mass of documentation. There were perhaps a couple of holes left within Mr. Hubbard's life, but the documentation which I was able to assemble covered all the major parts of his life, all the various expeditions which he had been on. They covered his education. They covered the periods when he was writing. They covered the periods of his three marriages. And they were extremely extensive, right up to 1950. From 1950, I also had a great mass of documentation. A lot of it, of course, was assembled -- provided by the Scientology organization, itself.

MR.WADE: Would you please hand the witness Plaintiff's Exhibit No. 187.

(Plaintiff's Exhibit No. 187 handed to the witness.)

BY MR. WADE: (Continuing)

Q. Can you identify Plaintiff's Exhibit No. 187?

A. Yes.

Q. What is it?

A. This is a critique I did of a -- about the author section which had been published by the organization in a book called the Research and Discovery series. It was a book containing the first lectures given by Mr. Hubbard on Dianetics and Scientology. And I list out in this critique a number of the misrepresentations and falsehoods which existed in the biographical information which the organization had published.

MR. WADE: We offer Plaintiff's Exhibit No. 187, Your Honor.

MR. COOLEY: I need a little time to review this, Your Honor. This is quite lengthy, of course, we produced thousands of documents and I haven't had a chance to the read every one of them.

MR. WADE: Your Honor,this is part of the Armstrong documents which the defendants have had for at least two or three years. In fact, it's 1 September 1980 --

THE COURT: Why am I getting this speech in front of the jury?

MR. WADE: I'm sorry.

MR.COOLEY: I just asked for a little time.

THE COURT: I'm addressing both of you. I'm not picking on one of you. We are going to recess this evening, members of jury. We will take up that exhibit first thing in the morning after he gets a chance to look at it.

Please remember my cautionary instructions. Do you all know what they are? Are you sure?

All right. We will start at 9:30 in the morning. Leave your notes in the jury room.

(Jury was excused.)

(Following proceedings held out of the presence of the jury.)

THE COURT: Let's take up this matter of witnesses. He might as well go out while we take it up.

Do you want to step outside.

(Witness was excused out of the courtroom.)

THE COURT: We have had a motion to exclude witnesses, which I have done. Are we going to now say that everyone that's testified may be a potential witness again?

MR. COOLEY: You don't know, Your Honor, what's going to develop in the course of a twelve-week trial. It's always been my experience when witnesses are sequestered that they are not permitted to sit in on the rest of the trial, against that eventuality. That's all I'm saying. I'm not saying that as a matter of probability I'm representing to the Court that we are going to call him, but I would hate to be in the position later on of finding that necessity confronting us and then have had the witness sit in on the testimony.

THE COURT: Well, it's always a possibility, I suppose.

MR. McMURRY: Very well, Your Honor.

THE COURT: I have a little difficulty with thinking that you will call these as your witnesses, but maybe as adverse witnesses. It's possible, I guess. All right. We will continue that practice.

We will recess until 9:30 tomorrow morning.

(Court recessed at 4:50 PM.)

(Friday, March 29, 1985; Court reconvened at 9:42 a.m.)

THE COURT: Get the jury.

MR. COOLEY: Your Honor, while we are waiting for the jury, in anticipation of some evidentiary problems I think might arise, I would like to give the Court a memorandum of law.

(Document handed to the Court.)

THE COURT: Thank you. Are we going to be looking at the this now?

MR. COOLEY: I don't know. I anticipate it will arise at some point in the testimony.

MR. McMURRY: If I may be heard for just a moment, Your Honor. The procedure that I thought the Court had asked counsel to follow was an outline of legal and factual problems that we felt would be coming up, and we attempted to apprise the Court -- Now, this is our first knowledge that they are -- may be raising questions as to the testimonial basis of a witness. And we feel that really isn't in the spirit of what we had contemplated.

Mr. Armstrong's deposition has been taken and we felt we were going to try and resolve as many of these issues prior to the seating of the jury, and I think we did a number of them. But this -- there's no surprise, as we told them Mr. Armstrong would be testifying. We feel there's -- this is really kind of an untimely way to raise this issue.

MR. RUNSTEIN: Your Honor, I will briefly point out that Mr. Armstrong's deposition was taken Tuesday and Wednesday before trial. It was during that deposition that he was that asked what subject areas he was going to testify about. And it became apparent that he plans to testify about hearsay-type matters. I think an evidentiary issue of how far he can go on hearsay is always relevant immediately at the time of the testimony. And --

THE COURT: My question, gentlemen, is there something we can do with reference to testimony now before I hear argument regarding this matter?

MR. COOLEY: Yes. I have no idea when it's going to arise, Your Honor.

THE COURT: Okay. I'll cross the bridge when I hear it. Obviously I have not read this yet.

(Following proceedings held in the presence of the jury.)

THE COURT: Good morning. Mrs. Titchbourne has taken ill, so she is not going to be here today, in case you are wondering about that. There is one other thing I'm going to tell you now, that possibly if everything goes well, we are going to try to give you a break in this trial next Friday. It's Good Friday and it's the start of passover and it's of religious significance to several people. And so we are going to shoot for a day off. We may or may not make it. So I'm telling you now so you can sort of make plans. And we will try for a full day, at the minimum a half day. So I'm giving you something to look forward to.

Okay. Mr. Armstrong.

(Witness resumed the witness stand.)

BY MR. WADE: (Continuing)

Q. We want to discuss you a little more detail your work as a researcher on the biography project. First, I would like to ask you before your discovery of the boxes of the documents at Gilman Hot Springs, what documents were available concerning Mr. Hubbard's background?

A. The only things that were available, at least to Scientologists or people in my position at that time, were the materials which had been published by the organization. They appeared in about the author section in books, dust jacket material, public relations pieces, biographical sketches. That sort of thing. They covered his whole life, but not in great detail. Some parts were detailed. There was relatively little documentation -- supporting documentation of the various biographical materials. There had been, in 1974, a pack of materials assembled by the Public Relations Bureau of Mr. Hubbard's based on a lecture which I had given to the public relations staff in the Sea Organization.

Q. The materials, the first boxes that you received at Gilman Hot Springs, could you go into detail and tell the jury what those boxes contained.

A. Those boxes -- all the materials in those boxes predated 1959. Most of them predated 1950. They went back as far as -- before his birth. There was correspondence between his father and various people. For the most part, they were from the twenties, thirties and forties. There was a great deal of correspondence between Mr. Hubbard and his first wife, between Mr. Hubbard and his second wife, letters which he had written to various friends, acquaintances. There were manuscripts and personal writings of various kinds. Also included in there were a mass of Naval documents which he had retained in his own archives. There were diaries, diaries from a trip which he made to Asia in 1928.

MR. WADE: Would you please hand the witness Exhibit 186.

(Plaintiff's Exhibit 186 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, would you describe what 186 is.

A. This is a chart which shows the various sources for the materials which ultimately came to be known as the LRH Archives or here noted as the Armstrong Archives, in that I was the person who assembled them from these various sources.

Q. Who prepared this chart?

A. I did.

Q. And does the chart accurately reflect some of the areas where you obtained documents for the LRH biographical or Armstrong Archives?

A. Yes.

MR. WADE: Your Honor, we will offer Exhibit 186 at this time.

MR. COOLEY: May I ask a question in aid of an objection, Your Honor?

THE COURT: Yes.

VOIR DIRE EXAMINATION

BY MR. COOLEY:

Q. Mr. Armstrong, what are these lines indicate here? I see most of the lines flow to you.

A. The lines, they all end up in an arrow on the bottom, and they indicate that files or materials from the sources on the top came down to the source -- or to the depository on the bottom. The large box on the bottom on the left, Controller Archives, was the repository of what were called technical writings of Mr. Hubbard. And I gave the Controller Archives the technical materials which I obtained, and from Controller Archives, I received the non-technical or biographical archives.

Q. Thank you.

MR. COOLEY: I have not objection.

THE COURT: 186 is received.

(Plaintiff's Exhibit 186 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, using Exhibit 186, and I would like you to describe to the jury on a step-by-step basis how you obtained materials and what you did with those materials during the time you were the biographical researcher.

A. Okay. The first materials which I obtained were from the hotel, the old hotel on the Gilman Hot Springs properties. It was called Del Sol, and it was the storage space for Mr. Hubbard's personal materials. He had old furniture there, he had his early writings there. And from that -- there was approximately eight hotel rooms which were filled with his personal belongings. From those eight hotel rooms, I was able to find approximately twenty-one boxes of paper documents. Those were the materials which I earlier described, which all predated 1959, and the majority of those things were either manuscripts or biographical materials.

The next set of materials which I obtained were from

Clearwater, Florida, and Clearwater was the the -- it was a major center for Scientology in the United States or internationally. And I obtained materials from what was known as the Personal Public Relations Office of L. Ron Hubbard. Those were mainly PR-type materials. I obtained from there virtually every biographical sketch which had been written, either by or about Mr. Hubbard. And I obtained some of the PR materials, for example, when he had his various certificates. They had photographs, copies of his certificates and that sort of thing. I obtained those.

There was another massive set of documents which was called the personal secretary files. This was the personal secretary to L. Ron Hubbard. Those were mainly legal files. Included in there were a number of Naval records, there was a great deal of correspondence, because personal secretary maintained his correspondence with his various family members and with various friends who were treated differently from the average Scientology organization staff member or public person. I obtained the personal communicator files, his position was LRH Pers Com, L. Ron Hubbard's Personal Communicator. He had been his personal communicator from the beginning of the days on the ship in 1967. And these files all dated from 1967 through to 1980. And he had maintained copies of virtually every dispatch, every order that L. Ron Hubbard had given during that period. And those were --

following the FBI raid in 1977, had been stored off the property in Clearwater, and I obtained those and had them shipped to Los Angeles and there was -- there was about thirty big boxes of that type of material.

I obtained some materials from what was called B1, Intelligence Bureau, in Los Angeles. These were materials concerning the death of Quinton Hubbard and they were materials concerning enemies of the organization and materials concerning L. Ron Hubbard's son, Ron DeWolfe, sometimes called Nibs, who was also considered an enemy of the organization.

There were purchased items which I obtained, and for the most part, those were early Dianetics materials and in a few cases correspondence between Mr. Hubbard and various people.

And the Controller Archives was located in Los Angeles in a building very near where I was, in the same complex, and it contained about ten trunks of material and probably thirty or forty file cabinets of material. This material -- the Controller Archives was originally to be the depository of writings about Dianetics and Scientology. Those were called technical writings. The materials which I had were biographical writings and there was a lot of biographical materials mixed in with this mass of technical material. And I received from the Controller Archives -- controller being Mary Sue Hubbard -- probably five boxes, regular-sized boxes, filled with materials, and these contained correspondence between Mr. Hubbard and Mary Sue Hubbard, Mr. Hubbard and his father and mother, and various family members, material which went all the way back to when he was a Boy Scout. Another bunch of Naval records. Early writings of various kinds, and a lot of organizational materials, some material which had been maintained there, not being technical writings, but being orders given to the Guardian's Office and that sort of thing.

Q. You mentioned that you were the researcher on this project and that there would be someone else who would actually write the biography. Who would that be?

A. The person who was finally selected to write the biography was Omar Garrison.

Q. Did you participate in the contract between the organization and Mr. Garrison?

A. Initially the contact was -- of Mr. Garrison was done by the Guardian's Office in Saint Hill in Sussex, England. And I maintained a line to them and we communicated back and forth about Mr. Garrison. He had previously done two books for the organization -- one of them was called Playing Dirty, and one was called The Hidden Story of Scientology -- and he was chosen because of his -- because he had done these two friendly books in the past.

I flew to England in September of 1981, and contacted Mr. Garrison, spent some time with him at that time, presented to him what archival materials I had already assembled -- that is, an inventory of them, a description of them -- and the fact we would be making these things available to him. And based on that and based on the fact that he would be working with me, that I would continue to be his researcher on the project, I was able to close him on participating in the project in being the author.

Subsequently, he met with L. Ron Hubbard's attorney, a man by the name of Alan Wurtheimer, in Los Angeles; and I was involved to some extent in that and I was there during the close and the signing of the contract.

Q. What was your working relationship, if any, with Mr. Garrison?

A. Well, I worked very closely with him from the point that the contract was signed. He had a house in Utah, and he had another one down in Costa Mesa, south of Los Angeles. I was living, then, in the complex in Los Angeles, and I met him very frequently. And from October of 1981 through December -- or October 1980 through December of 1981, I provided him with over four hundred binders of material and a great deal of material, probably an equal amount that was unbound, which had still remained to be sorted as to whether or not he wanted to use it or not. I saw him on a regular basis, usually every week, sometimes every day of the week, for a long period of time.

Q. During this period of time when you were the, I think, researcher -- would that be a title that would be appropriate, the biographical researcher?

A. Yes.

Q. During this period of time, who were your working for?

A. L. Ron Hubbard.

Q. Were the materials that you obtained consistent with the biographies, book covers about the author, sections about Mr. Hubbard that were contained in the organization's books?

A. No, they were not.

Q. When did you discover these inconsistencies?

A. Well, I began to discover inconsistencies in 1980, and it continued right up until the point that I left the organization in 1981.

Q. Did you bring this to the attention of any other people in the organization?

A. Yes, I did.

Q. Would you please describe to the jury what you did.

A. I talked to a great number of people. My organizational senior at that time was Laurel Sullivan. She was the senior LRH Personal Public Relations Officer. I informed her of what I had found, the various discrepancies. I informed people who were then involved in what was called, variously, Mission All Clear or Special Project. These were the people who had been assigned to resolve L. Ron Hubbard's legal difficulties. I talked to various people within the organization about the misrepresentations I had found.

I critiqued a number of the materials which had been written by the organization -- by Mr. Hubbard, in fact -- laying out exactly what the untruths were and misrepresentations and so on. And I informed the various people within the organization who were in a position to do something about it.

Q. Now, one of these documents you wrote to them would be Plaintiff's Exhibit 187; is that correct?

A. I don't have the exhibit, but if it's the one you gave me yesterday --

Q. That's the critique.

A. Yes.

Q. During this period of time, I imagine you had expenses for your trips and your interviewing of people; is that correct?

A. Yes.

Q. And you purchased -- I think it was something like $85,000 worth of materials; is that correct?

A. There was approximately $80,000, $65,000 of which was one big collection.

Q. Do you know who was paying your expenses, paying for these materials?

A. The -- Initially, most of the money was approved by WDC, Watchdog Committee. There were some of the expenses which were approved by Sea Org Reserves Chief; Sea Org Reserves Chief was underneath Watchdog Committee. And ultimately the various FPs, financial plannings statements of what would be approval for the purchases, came from WDC.

Q. Did the funds, then, come from Sea Org Reserves?

A. Yes.

Q. And Sea Org, is that a division of the Church of Scientology California?

A. Well, it's actually quite unclear as to what the Sea Organization is. At various times Mr. Hubbard called it its own corporation. However, at that time the Church of Scientology of California was virtually the whole of the Scientology network.

Q. Do you know if it was held out to the public that the Sea Organization was a division of the Church of Scientology of California?

A. That's correct.

Q. Who paid your salary?

A. I didn't really have a salary.

Q. What did you receive?

A. In the organization they call it an allowance, I believe it is.

Q. Who paid your allowance?

A. The allowance came from Sea Organization Reserves.

Q. How much was your allowance?

A. While I was on the biography project?

Q. Yes.

A. It was around $24 a week.

Q. Where did you live?

A. In the Scientology complex in Los Angeles.

Q. Can you estimate the total hours you spent on the research project?

A. Maybe 6,000 hours.

Q. We are going to come back later and discuss what happened after you brought the inconsistencies to the notice of the organization, but now I would like to ask you some questions in specific areas.

Ms. Titchbourne has testified about certain oral and written representations concerning Mr. Hubbard that were made to her. At this time, I would like to ask you some questions concerning the truth or falsity of these specific representations. The first representation was that Mr. Hubbard had a degree in civil engineering. Did Mr. Hubbard have a degree in civil engineering?

MR. COOLEY: I object. No foundation for the witness to give such an answer at this point.

THE COURT: All right. Lay a foundation for the question.

BY MR. WADE: (Continuing)

Q. Were you able to determine in your 6,000 hours of research whether or not Mr. Hubbard had a degree in civil engineering?

MR. COOLEY: I object. Still no proper foundation.

THE COURT: Well, he is not an answering the question. This calls for simply yes or no.

MR. COOLEY: May I add one other word? Any testimony he is about to give has to be based upon documents that he's read. Those documents are the evidence that has to be produced on that subject matter.

THE COURT: I suppose we are getting to that point now.

Take the jury out.

(Jury was excused. Following proceedings held out of presence of jury.)

MR. COOLEY: May the witness be excused, Your Honor?

THE COURT: Yes.

(Witness was excused.)

MR. COOLEY: Perhaps the Court may wish to take a moment to read the memorandum.

THE COURT: I have.

MR. COOLEY: What we are dealing with here, now, are questions being put to the witness as to conclusions that he has reached on the basis of examining documents. I believe that that's an improper way to establish the contents of documents. Indeed, now he's being called upon to give testimony as to a negative, based upon his examination of documents; in substance, what wasn't there.

It seems to me that if he is going to be giving his conclusions as to what his research revealed, that that research that underlies it must be here for examination by defense counsel in order to properly cross-examine the witness. And that if the witness is going to state fact A, based upon his research, then I should be provided with the specific documents that relate to that conclusion that he's about to give, so that I can cross-examine him on it.

And if the document, itself, is available as the evidence of what he is saying, then that document should be -- the document that is used to prove it -- in conjunction with his testimony. But certainly his testimony ought not to be allowed to stand alone on that issue.

THE COURT: I understand your position, Mr. Cooley.

MR. WADE: To say the least, I find it highly ironic that defendants' attorneys, the defendants who have spent countless hours attempting to be keep documents under seal, with both Courts in California and here, at this point would object on the grounds that they cannot review the documents.

We have proven from the witness stand that Mr. Armstrong is an expert on Mr. Hubbard's background. He has told us about the documents that he was able to review concerning his educational background, his naval background, et cetera. These documents were obtained, he has testified, from the files of the defendants.

The defendants have, in many hearings before this Court, strived to keep those documents under seal -- and they have been successful in doing so -- and at this time attempt to keep Mr. Armstrong from testifying. In fact, during the discussions, all counsel agreed with the Court that Mr. Armstrong could testify about what he determined from these documents and to testify about the documents. That was an agreement that was reached before the Court decided to seal documents.

MR. COOLEY: Your Honor, I'm now more alarmed than ever. Am I to understand this witness is going to be permitted to testify orally to the contents of documents?

THE COURT: Mr. Cooley, wait. Your phraseology, I think, is a little negative. You are talking about what Counsel is urging and not what the Court has permitted.

MT. COOLEY: I hope not, Your Honor.

THE COURT: I'm not saying one way or another.

MR. COOLEY: It's not my intention to force the use of documents on subject matters that he should not be allowed to testify to in any event. To the extent that the documents are sealed, and particularly the extent they are impounded, the witness ought not to be allowed to testify to the subject matter of them in order to defeat the very Order that the Court entered.

I'm talking about documents that are not in that posture that the witness intends to rely upon in order to support his testimonial conclusions. I would not expect in any event that counsel for the plaintiff would attempt to elicit orally from this witness that which the Court has impounded on a documentary basis. That would defeat the whole pretrial proceedings that we had.

But to the extent that we are not dealing with those kinds of documents, and the witness is going to testify to them, then the witness, whether he spends 6,000 hours researching LRH's background or not, ought not to be able to just willy nilly give conclusions that are based upon hundreds of thousands of documents. And we have literally hundreds of thousands of documents in this case, ourselves.

THE COURT: One thing that Mr. Wade -- You know, it does ring up in my head somewhere, too, about a conversation that counsel had with the Court.

MR. COOLEY: I have no memory of what the Court is referring to.

THE COURT: I don't know whether you were even here, Mr. Cooley.

MR. COOLEY: That could be possible. I didn't get here until the day before trial.

THE COURT: It is something that happened prior to that when we were going through all that --

MR. COOLEY: If there was a record of it, perhaps we could refer to it. The thing that I'm talking about, take this simple proposition now, whether he's a civil engineer or not, is a matter -- if the claim is made that he is a civil engineer, graduated from X school, then the short answer to it is, bring in the custodian of the documents of that school, there is a degree issued to the man or isn't there? That's how you prove it. Not through this witness.

MR. WADE: Your Honor, with respect to that, the transcript which we will be offering in evidence, is a transcript that was obtained by Mr. Armstrong from the Church of Scientology of California. It was in their files. Now, with that document being obtained from the Church, that document itself is an admission. He saw it in the files, he has a copy of that document with him today. And he is allowed to show that document to prove that Mr. Hubbard is not --

THE COURT: That's his first point. There's got to be some document upon which he is relying to give a statement.

MR. WADE: Many of the documents, when we get to other areas -- Let's take, for example, whether or not Mr. Hubbard was extensively decorated in the war or crippled and blind at the end of the war.

Those documents, Your Honor has, as least some of them. Some are with Judge Breckenridge in California. This witness will testify what he discovered, what he determined about Mr. Hubbard's Naval background with respect to those representations. Now, he's basing it upon documents which he obtained from the Church. And because they were obtained from the Church is allowed to testify concerning that documentation. In fact, he's probably allowed to testify anyway because he has been qualified as an expert on Mr. Hubbard's background and as an expert, he can give his opinion concerning the research he has done, and he is also allowed to give the jury what is the basis of his opinion. And the basis of the opinion, of course, would be those documents he reviewed.

MR. COOLEY: Even on an expert basis, the defense is allowed, under the fundamental concepts of confrontation of the evidence against you, to examine into the documentary basis of an expert's opinion. If this expert -- alleged expert is going to come in here and give an opinion and that opinion is based upon something he read in some documents, that he says he got from the Church, I'm entitled to have him point to the specific documents and then have them produced for me and I can cross-examine on the document as to the validity of his alleged opinion. It's no answer to say that Judge Breckenridge has documents down in California. I assume that copies of those documents were kept before they went into evidence. To the extent that we are dealing with impounded documents, I'm not talking about that. He ought not to be allowed to give his opinion or views on those in any event.

But to the extent we deal with this, let's talk about his Naval records. I have read the cross-examination of this man down in the case in Los Angeles, and he testified, "Oh, I stand corrected." He was wrong on that Naval record. I'm not going to run the risk or shouldn't have to run the risk of this jury being subjected to what Judge Breckenridge was subjected to, namely that he says Hubbard never had this record -- Naval record and that Naval record and it turns out he never even went to Washington to check and he looked in the wrong place to begin with, and he was impeached. I'm entitled -- if he is going to rely on a record, to have the record here.

THE COURT: It's here. There's no question about that.

MR. WADE: Not only is it here, Your Honor, but Mr. Armstrong has testified in pretrial matters and will be testifying today that the Church has the originals of the documents that he took copies of, that the Church has always had those documents in their archives. The defendants have them and have had them throughout the entire proceedings, pretrial proceedings in this Court. And yet they come in here and argue, we have -- they have to have the documents. And we can't give them. They have them. It's the defendants who have kept those documents from being produced. Not the plaintiff, Your Honor.

MR. COOLEY: Your Honor, the Church has hundreds of thousands of documents. It shouldn't be my burden to have to search every document to try to fine out what he is relying on. If he is going to say that this man -- fact X is true or untrue about this man, then let him prove it in the way that it should be proved. Does he have a degree from X university? Let's have the keeper of the records of X university in here and say he either does or he doesn't. That is the way to properly prove it.

MR. WADE: With respect to that, Your Honor, the Armstrong case, it was proven exactly the same way that we are offering the evidence today. In addition to that, if there is any problem with finding documents from his hundreds and hundreds of thousands of documents, all they would have to do is go to the attorneys, Mr. Harris, who tried the Armstrong case. Because that case specifically was about the ownership and content of these documents and it's correct, he was cross-examined on documents that the Church had.

MR. COOLEY: The plaintiff has the burden of proof in this case, Your Honor, and the plaintiff has the burden of proceeding according to the rules of evidence. The fact that it was done the same -- this way in California doesn't make it proper here. That's one of the rules that I have learned the hard way.

THE COURT: To what extent does he have documents here now that you are going to rely on?

MR. WADE: Your Honor, the documents that we have now with respect to the educational background are the transcript of Mr. Hubbard.

THE COURT: Okay.

MR. WADE: Transcript from George Washington University.

THE COURT: Mr. McMurry.

MR. McMURRY: May I be heard for a just a moment. In the memorandum that was furnished to us this morning before this proceeding commenced, the defendant, Church of Scientology of California, takes the anomalous position that the authority for excluding testimony which would constitute an admission is inadmissible relying upon Osborn vs. International Harvester. Now, we weren't furnished a copy of that case, but I have gone up to the law library and I have brought the advanced sheet down. That case had to deal with a post-accident accident report, having nothing to do with the situation that we are faced with today.

I ask the Court to take, as it has in the past, take judicial notice that a case was filed in California entitled Church of Scientology of California vs. Gerald Armstrong. That case alleged that all of the Armstrong documents that were purloined by Mr. Armstrong belonged to the Church of California. Now that -- the decision, this Court is well aware of, and the Court found they did, in fact, own those documents. So we are not dealing now with a report, we are dealing now with a collation of property belonging to the Church of Scientology of California.

Now, for reasons that are best understood to these defendant's, those documents have been sealed in part and part unsealed in that proceeding. And this Court is well aware, Mr. Cooley is not. But this Court is well aware of the machinations and problems that that proceeding has caused in this instance. But --

THE COURT: Yes, including my conversation with Judge Breckenridge.

MR. McMURRY: Precisely, precisely. And he indicated, I think, the record will show that was no seal that would prevent Mr. Armstrong from testifying and if -- so far as he was concerned, as a matter of law, the matter -- the documents were available to this Court. But for -- but for, not an appeal from his decision, and not another seal from his decision, but for a another case that was entitled Rose 1 through 100 vs. Gerald Armstrong.

THE COURT: Judge Breckenridge said he would release everything if the Church would stipulate to it.

MR. McMURRY: Precisely. Now, Your Honor, if we were to take Osborn vs. International Harvester to it's logical extent, the documents that were maintained by Multnomah County in that case, if they were collated and put together in a binder, Multnomah County would be able to take the position, we don't do that all the time. We did it especially because the commission or the mayor or our leader suggested --

THE COURT: Here's the position that has just almost beyond comprehension to me. We have the Armstrong documents, the Church fought vigrously and hard to get those placed under seal. Judge Breckenridge did so. Then we have the position that -- now, they are under seal, they are our records under Mr. Cooley, you want the plaintiff to produce them.

MR. COOLEY: I'm not talking about that at all. I'm talking about the documents that don't fall under that category.

THE COURT: Such as?

MR. COOLEY: I don't know. He's got some documents that he is apparently going to testify from. Or he's reviewed some documents that he's going to testify from. I don't know what documents he's even talking about.

MR. McMURRY: Well, this is the problem with having special counsel come in the day before trial. Mr. Runstein's position, up until this day, was that -- and Mr. Peterson, who came in here and loudly protested to any discovery of those documents, was that Mr. Armstrong could testify of his own knowledge of what he had learned of his own knowledge from, not reports, but documents.

THE COURT: That's correct, that's what Mr. Peterson said.

MR. McMURRY: And Mr. Runstein said. Now, we are met with some statement that his knowledge obtained from careful collation and perusal of those documents is heresay. That is not the law. That is not the law. The law on hearsay would be that some third party told him. But these are -- this is property, this is property of the defendants.

It would be akin to say a person went out and measured a fence line and it was twenty feet long. Now, you would have to bring the fence into court, based upon this specious analogy to be able to prove it.

We are offering direct evidence for the truth of the matter stated from this man's own mouth. Now, Mr. Cooley can obviate his concern that he doesn't know what he is relying upon. We were painstaking in the foundation, thousands and thousands and thousands of documents. Mr. Cooley has access to those documents, he can bring them out and cross-examine Mr. Armstrong therefrom. He is using the shield that they have perfected in California, now as a sword, and hearsay is not involved.

And it is the law of this state and every other state that when it's in the power of a party to produce the best evidence, they cannot use there prohibition of the plaintiff to obtain that evidence to bar it. This is the best evidence available by reason of Mr. Cooley's client, Church of Scientology of California, and the unrepresented and unappearing L. Ron Hubbard.

MR. RUNSTEIN: Your Honor, there have been comments about what we said and what we didn't say. And let me say that I made it very clear that Mr. Armstrong would be here to testify about what he could testify to. Now, my concerns are this. They indicated there were certain documents used in the Armstrong case which would prove certain items which are the same items they want to prove in this case. Those items, as I recall, were examined by the Court, which felt they did not do that, and therefore, they were not ordered to be turned over to the plaintiff's counsel.

THE COURT: I put under seal for all time the private writings of Mr. Hubbard; I have sealed those. I don't see what bearing they have in this case.

MR. RUNSTEIN: But I think this witness will interpret that --

THE COURT: But when we get into matters of naval records -- and I said I gave them the opportunity to renew that one -- and transcripts of schools and things like that, I didn't put those in concrete like I did some of the other writings of Mr. Hubbard. I put his private, private writings, some things, the affirmations, for example, that are under seal and I have got put away. Those, I said, I would not take out from under seal, although I did get them.

Judge Breckenridge did say he would give me all the sealed documents if the Church would stipulate to it. The Church would not. Now you are saying, you wouldn't give them to me, but you won't let anybody else have them either; you can't use them here.

MR. RUNSTEIN: It was my understanding --

THE COURT: I was going to make a determination as to all of the documents.

MR. RUNSTEIN: All I can say is, Your Honor did examine the naval records or that they didn't have to be turned over, and the problem --

THE COURT: Yeah, because there's some things in the naval records that -- I'm not sure you want those -- they probably want those naval records. There is some of writings in there that I don't think are appropriate that they be turned over, but there are some items there that are perfectly relevant to this case.

MR. McMURRY: Your Honor, that they might be prejudicial for a non-represented, non-appearing party, we find to be absolutely contrary to --

THE COURT: I'm not to argument about those particular records at this moment. I'm dealing with the problem. If you want to address strictly the naval records when that comes up, I will listen to that, but I'm going to do one at a time.

MR. COOLEY: That's what I think would be the best way to do it, Your Honor, one point at a time. If what he is now relying on are transcripts of grades, is it?

THE COURT: Yes. To the extent that he has read files that are in the Church's office, I'm going to left him testify to that extent. Now, by that I mean, he obviously can't produce the document that is under seal down in California --

MR. COOLEY: I understand.

THE COURT: -- but he's read them. Now, maybe if you want to get them out from under seal, Mr. Cooley, you can do it simply by us placing a call to Judge Breckenridge.

MR. COOLEY: No, I don't think I'll do that, Your Honor.

THE COURT: Okay. But we really can't have it both ways. It's got to get in one way or another.

I made that clear on the earlier rulings, Mr. Runstein.

MR. MANION: Your Honor, just for the record, I was here during the week of discussions. I think you recall when I first showed up in this courthouse a week before the trial. I was here during the proceedings and I was here on behalf of myself and Mr. Cooley, and we have talked about the matter.

THE COURT: Okay. What are we going to deal with next? Do you want to talk naval records now or do you want to wait a little bit?

MR. WADE: The first area is going to be the educational background.

THE COURT: Because I'm not even sure Mr.

Armstrong knows all about all of this stuff. He can testify as to what he's read. Okay? But I don't want to have to be put, gentlemen, in a position of backing off of my sealing order.

MR. COOLEY: I certainly understand that. I think that the way we probably should approach it is, if he is relying on a document, just have him tell us what the document is.

THE COURT: That's fine. There is certainly no problem with that.

Okay. Let's take five minutes.

(Court recessed at 10:35 a.m. and reconvened at 10:55. Following proceedings were held in chambers.)

MR. COOLEY: Your Honor, I move to suppress and have the Court exclude all testimony of this witness concerning the background of L. Ron Hubbard in any of its particulars, on the strength of the case of United States vs. Ballard, Supreme Court of the United States, 322 US 78. This case was by Mr. -- written by Justice Douglas speaking for the majority of the Court. It was referred to in the Appeals Court's decision in this case as the controlling law.

In that case, the Supreme Court held that the

First Amendment and here we are dealing with the First Amendment as made applicable to the United States Fourteenth Amendment of the Constitution, precluded any inquiry on an alleged fraud indictment which was there involved into religious doctrines, beliefs, which included doctrines or beliefs that related to matters that the government there claimed were not religious matters.

The government in that case took the position that the district court withdrew from the jury's consideration only the truth or falsity of those representations which related to religious concepts or beliefs, and that there were representations charged in the fraud indictment which fell within a different category.

For example, there the petitioner -- they had placed these representations, three representations in that grouping, namely they fell into a different category other than religious beliefs. There was one, a portion of the alleged fraudulent scheme as to healing, which alleged that the respondents in that case had in fact cured, either by the activity of:

(1) either or all of them, hundreds of persons afflicted with disease and ailment;

(2) that the portion of the scheme relating to certain religious experiences described in certain books, and concerning which the indictment alleged that the defendants misrepresented -- made the following misrepresentations that Guy Ballard, Edna Ballard, and Donald Ballard actually encountered the experiences pertaining to each of their said names as related and set forth in said books, whereas in truth and fact, none of said persons did encounter the said experiences;

(3) that the government had alledged it as part of the scheme concerning phonograph records sold by the respondents on representations that they would bestow on the purchasers "great blessings and rewards in their aim to achieve salvation," whereas it was alleged in the indictment the respondents well knew their said records were manmade and had no ability to aid in achieving salvation.

We are dealing here, Your Honor, with the issues that were raised and decided in the United States vs. Ballard, which were covered and cited with approval and indeed with recognition that Ballard controlled, by the Appeals Court in this state.

I think we are now getting into an area, for example, where it's demonstrably so under the First Amendment and the Fourteenth Amendment that one could not examine into the issue of whether in fact Jesus Christ was in fact a carpenter, any more than one can examine into the fact of whether L. Ron Hubbard held a certain degree or whether L. Ron Hubbard had a certain naval record. I think, to permit this examination through this witness violates my clients' rights and the rights of all defendants under the First and Fourteenth Amendments of the Constitution of the United States, and violates the teachings of Ballard and the teachings of this -- of the Appeals Court in this state. And I object to it and move that the Court not permit Mr. Armstrong to give such testimony.

THE COURT: Okay.

MR. WADE: Your Honor, the Court of Appeals in the appellate decision of this case disagreed wholeheartedly with the objection that's been made. The question of whether or not these statements concerning his background are religious in nature, at all times the Court of Appeals couldn't decide that on the record last time.

This Court, if the Court is going to make a decision concerning that, it would have to be done at the end the case. In addition --

THE COURT: That's what they seem to say.

MR. WADE: That's what they say. The Ballard case, I think, is being miscited. That was a case cited in the Court of Appeals' decision, in fact. We can take a look at the Article or Device case. In the Article or Device case the Court held that certain representations were false and were fraudulent. And because of that we have had testimony; we had the minister's mockup hit.

I don't want to speak too long to this objection. The religiousity of the statement that L. Ron Hubbard was a civil engineer or a nuclear physicist or a graduate of George Washington University -- I think if the Court does make that decision, I think that decision would clearly be that such statements are not religious in nature.

THE COURT: Any such references, as I read the appellate decision, are for me to determine at some point down the line as opposed to now, because I don't know what the testimony is, obviously. I don't know what he is going to say.

MR. COOLEY: I think you know now that he's going to say that L. Ron Hubbard didn't hold a degree in civil engeering. We can deal with that particular issue.

THE COURT: I'm going to deny your motion, both on the concept of Ballard and as I read the Court of Appeals' decision.

Now, as long as we are still dealing with -- the problem that you are into here, with hearsay and exception to hearsay was that each document may well fit under some -- to throw them all under a hearsay bag is not accurate, in my opinion. There are some records in this case which are kept by the Church. There are some public records that would fit into an exception. There's the exception of records of religious organizations, which is a noted exception in this state.

There's the exception, and specifically I can refer to them by numbers if you want, but they are six, eight, eleven, and nineteen -- which deals with representation of family members and or by associates concerning personal or family history -- to recognize exception.

And also, Exception No. 24, which is the final exception and which provides -- and that case may be the first example that I, frankly, have seen because of the peculiar nature of the way the things are under seal and so forth -- where it provides that where it is not covered by any other exception to the hearsay rule, but having equivalent circumstantial qualities of trustworthiness and it is relevant, and it is more probative than any other evidence which could be produced through reasonable efforts. And fourth, where the interest of justice would be best served.

So it's the general exception that Oregon has plugged in to the hearsay exception rule with one caveat: you have got to give notice that you intended to use it. I think there's been a lot of intent. It's not a surprise, is what I'm getting at in this case.

MR. COOLEY: I would merely point out I'm familiar with those exceptions under the Oregon Evidence Code, but I also suggest to the Court that there are strict foundation requirements that have to be laid before the exceptions are made to apply, which require the finding by the Court that the foundation is sufficient to invoke the exception. And I don't think that -- I don't know which particular exception.

THE COURT: That's my point, you have to deal with one. They could fall under a particular exception or under twenty-four, but to say that everything is either in one category or another category is not correct, because they are all different.

MR. COOLEY: I fully understand that, but the hearsay objection applies until an exception is made by proper foundation to take it outside the hearsay objection.

MR. WADE: I think it's the other way around. I think that basically we start in Oregon with the fact that all relevant evidence should be admitted. I think that's one of the first. Any exception to that must be proved.

THE COURT: Now, are we ready to go back?

MR. COOLEY: Yes, sir.

(Following proceedings held in open court.)

THE COURT: Let's get the jury.

Mr. Armstrong.

(Witness resumed the witness stand.)

(Following proceedings held in presence of jury.)

THE COURT: Mr. Wade.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, as Mr. Hubbard's biographer researcher -- biography researcher, did you obtain documents from Mr. Hubbard's archives and from Mr. Hubbard's possession and the Church of Scientology of California's possessions which enabled you to determine whether or not Mr. Hubbard had a degree in civil engineering?

A. Yes, I was.

Q. Did he have a degree in civil engineering?

MR.COOLEY: May the documents be described, Your Honor?

THE COURT: Ask him which documents he looked at.

BY MR. WADE: (Continuing)

Q. What documents did you look at?

THE COURT: Yes is the answer to your request, Mr.Cooley.

BY MR. WADE: (Continuing)

Q. What documents did you obtain?

A. I had the transcript of Mr. Hubbard's -- the period he spent at George Washington University, the various courses that he took. I had correspondence between Mr. Hubbard and his first wife. I was able to determine from the total mass of correspondence that Mr. Hubbard had not returned to the university following the period covered by the transcript. I had his application for commission in the Navy prior to World War II.

Q. What did that application show?

A. That he had attended two years at the university.

Q. I'll ask you again, did Mr. Hubbard have a degree in civil engineering?

A. No, he did not.

Q. Was he a graduate of George Washington University?

A. No, he was not.

Q. Does he have a Bachelor of Science Degree, a BS degree?

A. No, he does not.

Q. Was he a nuclear physicist?

A. No, he was not.

Q. Would you please hand the witness Plaintiff's Exhibit No. 188.

(Plaintiff's Exhibit No. 188 was handed to the witness.)

Q. Mr. Armstrong, would you identify Plaintiff's Exhibit No. 188.

A. This is a copy of the transcript of Mr. Hubbard, showing the period which he attended George Washington University, the courses that he took, and the grade which he was given for each one of these courses.

Q. Where did you first see the transcript, a transcript of his grades at George Washington University?

A. In Mr. Hubbard's archives.

Q. When was that?

A. I would say the first time I saw it was in late 1980.

Q. Is this document the same, a copy or the same document as the one you saw?

A. It's a copy. I don't know if it's the same one but it has the identical information on it.

Q. Identical to the one that you saw?

A. Yes.

MR. WADE: We would offer Exhibit 188, Your Honor.

THE COURT: Have you seen it, Mr. Cooley?

MR. COOLEY: I'm looking at it now. It's very difficult to make out, Your Honor.

THE COURT: Okay.

MR. COOLEY: May I ask a question in aid of an objection?

THE COURT: Yes.

VOIR DIRE EXAMINATION

BY MR. COOLEY:

Q. It wasn't clear to me, Mr. Armstrong, whether this was the exact document you saw when you were going through the files or whether it wasn't.

A. This same document is in the Hubbard archives.

Q. And this is the document that you saw that you were testifying about with respect to the numbers of documents that you saw that led you to the conclusion that he did not hold a degree?

A. That's correct.

MR. COOLEY: No objection beyond the objection we discussed previously, Your Honor. May I have a continuing objection on that basis?

THE COURT: Yes, Mr. Cooley.

MR. COOLEY: Thank you.

THE COURT: It will be received.

(Plaintiff's Exhibit 188 was admitted into evidence.)

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, can you determine from the document when Mr. Hubbard was admitted to George Washington University?

A. Yes.

Q. What date was that?

A. The 24th of September 1930.

Q. I would like you to go down through the exhibit. I think it shows two semesters that he attended? Two years?

A. Two years, two semesters each year.

Q. I would like you to go through the exhibit and tell the jury the class that he attended and the grades he received for those classes. And I would like you to make particular emphasis on the engineering and mathematical courses, please.

A. All right. This is the first year. English, --

there's some numbers here, I don't know if they are significant or not. English 1,2, Rhetoric, first semester a C; second semester a B. Chemistry, General Chemistry, first semester a D; second semester a D. Mechanical Engineering, Mechanical Drawing, first semester a B; second semester a C. Mathematics, Plane Analytical Geometry, one semester, an F. Physical Education, first semester a C; second semester an A. German, first semester an E; second semester an F. Mathematics, Differential Calculus, second -- one semester, an F. Civil Engineering, Materials of Construction, one semester, B. Second year, Physics, Dynamics of Sound and Light, one semester, an E. Mathematics, Differential Calculus, one semester, a D. Mathematics, Integral Calculus, one semester, a D. Mathematics, Analytical Geometry, one semester, a D. English, Short Story, first semester a B; second semester B. Physics, Electricity and Magnetism, one semester, a D.

Q. With respect to the claim that he's a nuclear physicist, would you please read the last entry. I think that's the next one coming up.

A. Modern Physical Phenomena, Molecular and Atomic Phenomena, one semester, an F.

Q. Did Mr. Hubbard ever return to college after he left George Washington after these two years?

A. No, he did not.

Q. Were you able, from the documents you obtained, -- Did he ever attend undergraduate or postgraduate courses at Princeton University?

A. No, he did not.

Q. I take it, then he didn't have a degree from Princeton University.

MR. COOLEY: May we have the documents on which the witness is relying, Your Honor, described.

THE COURT: Lay a foundation for the question.

BY MR. WADE: (Continuing)

Q. You mentioned that you saw correspondence from Mr. Hubbard that you obtained a tremendous amount of documents, and you testified you were almost able to put together a day-by-day rendition of documentations of his life.

MR. COOLEY: I object to that leading. I hve heard no such testimony.

THE COURT: Well, it is leading.

MR. WADE: I'll ask it in a different way.

BY MR. WADE: (Continuing)

Q. Were you able to determine, from the mass of documents that you had, -- I'll ask first, this. Did you find any transcripts or any other information in the files which indicated that Mr. Hubbard had attended undergraduate or postgraduate courses at Princeton University?

A. No. I found so such material.

Q. Did you find materials which indicated he had not?

A. I was able to determine --

MR. COOLEY: May the witness give a response. The question is did he find any materials that indicated he had not.

THE COURT: Can you answer that question?

THE WITNESS: The only way I can answer that is from the mass of documents showing where Mr. Hubbard was at various times and what indeed he did do at Princeton University.

BY MR. WADE: (Continuing)

Q. What did he do at Princeton University?

A. In the latter part of 1944, and into January of 1945, under the auspices of the Navy, he attended a military government course, a course in military government, which was given on the Princeton campus.

Q. Was that course affiliated with the undergraduate or postgraduate studies of Princeton University?

A. Not to my knowledge.

Q. Are you familiar with representations concerning Mr. Hubbard to the effect that, number one, he revealed Dianetics to mankind with no intent to profit, and with respect to number two, that Mr. Hubbard's income was smaller than most staff members? Are you familiar with those representations?

A. Yes.

Q. Why are you familiar with those representations?

A. Because those statements or statements very close to those are throughout Scientology literature in very widely broadly published materials, particularly one track called _What Your Fees Buy_, which has been published in many forms in Scientology.

Q. How long were you in the Sea Org?

A. Almost eleven years.

Q. Do you have an opinion as to what was the average income of the Sea Org staff member?

A. Ten dollars a week.

Q. Was Mr. Hubbard's income less than ten dollars a week.

MR. COOLEY: I object. No foundation.

THE COURT: You have to lay a foundation, Mr. Wade.

BY MR. WADE: (Continuing)

Q. Did you, during the time you were in Scientology, including the time you were a research biographer, were you able to determine anything concerning Mr. Hubbard's income?

A. Yes, I was.

Q. Did you find whether his income was less than an average staff member?

MR. COOLEY: I object. Improper foundation.

THE COURT: You have to be more specific about documents, Mr. Wade.

MR. WADE: I certainly will, Your Honor.

BY MR. WADE: (Continuing)

Q. With respect to your knowledge of Mr. Hubbard's income, I would like you to tell the jury what you know about sums that he was receiving.

MR. COOLEY: I object. Same objection.

THE COURT: Sustained.

BY MR. WADE: (Continuing)

Q. What information were you able to determine concerning his income?

MR. COOLEY: May I ask a question in aid of an -- Well, all I want to do is have him identify the source material.

THE COURT: I understand the objection, Mr. Cooley.

BY MR. WADE: (Continuing)

Q. What documents -- Did you review any documents which indicated Mr. Hubbard was receiving funds from the organization, from Scientology?

A. Yes. I had documents from 1966, -- 1965 and onwards, right up until into the '70s. And these documents concerned a corporation called Hubbard Explorational Corporation, Operation and Transport Services, Operation and Transport

Corporation. They also concerned payments of -- to L. Ron Hubbard from the organization into an account called LRH Trustee Account and LRH Personal Account. I also came into knowledge about a payment to Mr. Hubbard --

MR. COOLEY: I object, until the document is identified.

THE COURT: I think he came into knowledge is going to have to be cleared up, Mr. Wade.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, did you obtain any knowledge of other payments to Mr. Hubbard from conversations with other Scientologists or employees of Mr. Hubbard?

A. Yes, I did.

Q. Would you describe what you found from those conversations.

MR. COOLEY: I object. Foundation.

THE COURT: You got foundation problems all along here.

BY MR. WADE: (Continuing)

Q. Let's start with those conversations. Who were you talking to concerning funds that were paid to Mr. Hubbard?

A. Laurel Sullivan, who was LRH Personal Public Relations Officer; Mike Smith, who was LRH Personal Accounts.

Q. Would you describe those conversations to the jury, please.

A. The conversations concerned the payment to Mr. Hubbard of two point -- I believe it was two point one or two point four million dollars in latter part of 1979.

Q. In the documentation that you stated you reviewed, were there my kind of flat fees paid to Mr. Hubbard?

MR. COOLEY: Objection, Your Honor, foundation.

THE COURT: Well, now this is -- if I understand it, is the foundation you laid prior to the last question.

MR. COOLEY: You mean for the two point one or two point four?

THE COURT: No. That one -- I hate to do this, but this is the result of a conversation. Mr. Wade jumped the question before he got an answer.

BY MR. WADE: (Continuing)

Q. With respect to the documentation -- now we are talking about the documentation that you reviewed, could you describe -- What I would you like you to do is describe what the documentation was, and whether or not the documentation indicated that payments were made to Mr. Hubbard and the amount of such payments.

A. The documentation which I earlier referred to, that is the Hubbard Explorational Company materials, Operation and Transport Service, Operation and Transport Corporation, I cannot give you specific amounts from recollection. I can tell you that they were large amounts, in the hundreds of thousands. But I cannot give you specifics. There were other people who can give you those specifics. I did see documentation showing that he was paid a consultants fee of thirty-five thousand dollars a year, flat fee. I also saw documents indicating the amount that he was paid for royalties on the books, which were sold through the organization.

Q. Do you remember the amounts he was paid for royalties for books?

A. I saw figures of over a million dollars a year.

Q. Did you have any conversations with Laurel Sullivan concerning the spending of funds for a Nobel Peace Prize, Nobel Prize?

A. I saw an order from L. Ron Hubbard, which was dated the latter part of 1979. I also discussed it with Laurel and I worked on the Nobel Prize project with Laurel Sullivan.

Q. What did the order say?

A. The order was --

MR. COOLEY: Can I have a date on this, Your Honor.

MR. WADE: He has given the date, Your Honor.

MR. COOLEY: Sorry, I didn't hear it.

THE COURT: He said '79.

MR. COOLEY: Thank you.

BY MR. WADE: (Continuing)

Q. What did Mr. Armstrong?

A. The order was to Laurel Sullivan, and the order was to get L. Ron Hubbard, to get him a Nobel Prize. The basis for it was to be his work in developing what came to be known as the Purification Rundown. He ordered that unlimited funds be made available for this project, these were Scientology funds.

Q. Did you, youself, work on the project?

A. Yes, I did.

Q. What did you do?

A. I wrote the copy for a booklet which was put out by the organization to -- to PR "The Purification Rundown" and the research. I went to various libraries and got books, medical books, which appeared to substantiate the claims Mr. Hubbard was making.

Q. Now, at the time you did this work, from whom were you receiving pay?

A. My pay at that time was coming from Gilman Hot Springs, and that money came from Sea Organization Reserves.

Q. You also mentioned that you had worked renovating or remodeling Mr. Hubbard's -- one or two of Mr. Hubbard's homes. Do you know who was paying for the renovations?

A. The organization of Scientology.

Q. Are you familiar with the representation that Mr. Hubbard was crippled and blind at the end of the war and used techniques he developed to cure himself?

A. Yes, I am.

Q. Did you review any documentation, when you were working in the Church, concerning whether or not -- which would indicate whether or not he was crippled and blind at the end of the war and used techniques he developed to cure himself?

A. Yes, I did.

Q. What documentation was that?

A. There were two sides to it. First, were the representations themselves and where they were made, the various contexts in which they were made. And the second source to try and substantiate that claim, was from Mr. Hubbard's Naval records, which included medical records and Veterans Administration records. And they also included statements made by Mr. Hubbard, himself, in his own handwriting regarding his war service, and what disabilities he had and the actual condition of those disabilities.

Q. With respect to that, was Mr. Hubbard crippled and blind at the end of the war and then used techniques he developed to cure himself; is that statement true or false, to your knowledge?

A. It is false.

Q. Was he crippled and blinded at the end the war?

A. No, he was not.

Q. Did he get a Purple Heart?

A. No, he did not.

Q. Are you familiar with the representations concerning Mr. Hubbard, that it is a matter of medical record that he has twice been pronounced dead and brought himself back to life?

MR. COOLEY: Objection. It is beyond the scope of the pleadings.

THE COURT: That could be.

MR. WADE: Your Honor --

THE COURT: Wait just a second. I don't want to hear an argument on that in front of the jury. Save that question for a little later and we'll allow a few minutes before lunch and you can argue that to me, because I don't remember that as being a part of the pleadings.

BY MR. WADE: (Continuing)

Q. You have mentioned you found biograpies and other documents that were put out by the organization which stated the same representations which I have just asked you about. Do you know whether such documents were published or disseminated by the Church of Scientology of California?

A. Yes, they were.

MR. WADE: Please hand the witness Exhibit 189.

(Plaintiff's Exhibit No. 189 was

handed to the witness.)

BY MR. WADE: (Continuing)

Q. Is Exhibit 189 one of those documents?

A. Yes, it is.

Q. Would you describe it, please.

A. This is a document written by Mr. Hubbard which is to be used as a handout in order to get people into Scientology. It is stated for a PE handout. PE was a Personal Efficiency course. It was the introductory course, a series of lectures, given in Scientology.

Q. Who is the author of this document?

A. L. Ron Hubbard.

Q. What is the date of the document?

A. 14 April 1961.

Q. Do you know whether or not this document appears in later green volumes, OEC volumes?

A. Yes, it does.

MR. WADE: We would offer Exhibit 189 at this time, Your Honor.

MR. COOLEY: No additional objection, Your Honor.

THE COURT: 189 is received.

(Plaintiff's Exhibit No. 189 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, I would like you to begin reading, and I would like you to read the first page of this document to the jury.

A. Okay. "PE handout" -- From that --

Q. Yes.

A. "The following releases should be attractively letter-pressed on small individual sheets and are each one a part of the OTTO Eval packet, HCO policy letter, March 2, 1961. Important: This is, 'What is Scientology?,' The release required to be given PE test people as per HCO policy letter of March 2, 1961, number three of eight items.

"Number seven, the state of release, has already come to you as part of recent info letter and is repeated here, together with numbers four, five and six.

"Numbers one and two will be sent to you shortly.

"What is Scientology? For hundreds of years physical scientists have been seeking to apply the exact knowledge they have gained of the physical universe to man and his problems. Newton, Sir James Jeans, Einstein, have all sought to find the exact laws of human behavior in order to help mankind. Developed by L. Ron Hubbard, CE, Ph.D., a nuclear physicist, Scientology has demonstrably achieved this long-sought goal.

"Dr. Hubbard, educated in advanced physics and higher mathmatics, and also a student of Sigmund Freud and others, began his present researches thirty years ago at George

Washington University. The dramatic result has been Scientology, the first major and complete breakthrough by the exact sciences into the field of the humanities. Although taken from the material sciences, Scientology is dedicated in the finest tradition of human dignity and freedom, espoused by brilliant men in all periods of man's ascendancy over his relationship to the animal.

"The laws of this science prove to be startlingly simple when found, well within the grasp of the average person. It is a tenet of Scientology that this knowledge belongs to man, not in the forbidding halls of learning. It is the science of that man, the woman, and the child in the street; it belongs to us, the people, not to any vested interest on earth.

"Scientology means the study of knowledge. Scio is knowing in the fullest sense the word, and logos, study. Scientology is today the only successfully validated psychotherapy in the world. Tens of thousands of completely documented cases exist in the files of the Hubbard Association of Scientologists International.

"Scientology has many firsts; these include Scientology as a precision science. It is the first precision science in the field of humanities, yet is sufficently simple and rapid, that where it requires twelve years to train a psychiatrist, eight weeks of heavy Scientology training can permit a person to achieve results. However, for a truly skilled Scientologist, the training period for a doctorate in the subject is usually not under five and has been ten years. Ample records exists to substantiate these firsts.

"Consider the results of Scientology; further, the results of Scientology are easily demonstrable claims that can be duplicated by competent practitioners, at will, using Scientology principles correctly: The first axiomatic construction of the basic laws of thought and behavior of man. The first science to isolate the life unit that perceives and generates energy, a discovery comparable to the isolation of the nucleus in atomic physics. The first science to prove that IQ and intelligence can be improved and not inherent in a person."

Did you want me to continue?

Q. With respect to the rest of it, I would like you to take a look at page 197 and perhaps if you could go through the first ten paragraphs, about halfway down the page, could you count the number of times the word "science" is used.

A. You just want me to count it or did you want me to read it?

Q. Just count it.

A. Okay.

(Witness complied.)

It's used in each paragraph. There's ten times.

Q. Would you please read paragraph six.

A. "The first science to put the cost of psychotherapy within the range of any person's pocketbook. A complete Freudian analysis costs three to five thousand pounds. Better results can be achieved in Scientology for ten pounds, and on a group basis, for shillings."

Q. When you left Scientology, do you know how much auditing cost on an hourly basis?

MR. COOLEY: I object.

THE COURT: Yes.

MR. COOLEY: We are now about to compare a 1981 dollars with 1961 British pounds. I think that's an economic exercise that would require something a little more.

THE COURT: It's beyond my capacity. I sustain that objection.

MR. WADE: Would you please hand Mr. Armstrong Exhibit 190, please.

(Plaintiff's Exhibit 190 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, I would ask you to please identify Exhibit 190.

A. This is a biographical sketch of Mr. Hubbard which was widely published and used in magazines and handouts in the organization.

Q. When did you first see this?

A. I recall seeing it very early; probably 1969.

Q. And by organizations, would that include the Church of Scientology of California?

A. Yes.

MR. WADE: We would offer Exhibit 190, Your Honor.

MR. COOLEY: I would like to know where this particular one came from, if I could find that out. Is it a specific publication or is this just a handout? Perhaps I might ask the witness.

THE COURT: Why don't you just ask him in aid of an objection.

VOIR DIRE EXAMINATION

BY MR. COOLEY:

Q. This exhibit 190, was that part of a book or a pamphlet, or was it just a kind of a handout that you would give out?

A. I have seen it in both forms. It was duplicated in a magazine by the have seen it also just as a handout in its form here.

MR. COOLEY: All right. Thank you.

THE COURT: 190 I received.

(Plaintiff's Exhibit No. 190 was

admitted into evidence.)

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. I would like you to read paragraph five on the left-hand side.

A. "With the death of his grandfather, Hubbard, nineteen years of age, was brought home by his father to study at the George Washington University in Washington, D.C. He graduated in mathmatics and engineering from Columbia College" --

MR. COOLEY: Columbian.

THE WITNESS: -- "Columbian College to become a member of the first United States course in formal education in what is called today, nuclear physics. He also attended the Princeton University."

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, what is Columbian College?

A. That's the engineering college at George Washington University.

Q. I would now like you to read on the right-hand side paragraphs two and four.

A. "Commissioned before the war in 1941, by the US Navy, he was ordered to the Philippines at the outbreak of the war, and was flown home in the late spring of 1942 as the first US returned casualty from the Far East."

Q. Was Mr. Hubbard ever a casualty during the war?

A. No, he was not, other than the fact he did have duodenal ulcers.

Q. I take it that wasn't caused by any machinegun fire or anything?

A. No, it was not.

Q. Would you now read paragraph four on the right side.

A. Crippled and blind at the end the war, he resumed his studies of philosophy, and by his discoveries, recovered so fully that he was reclassified in 1949 for full combat duty. It is a matter of medical record that he has twice been pronounced, and that in 1950, he was given a perfect score on mental and physical fitness reports."

MR. WADE: Would you please hand Mr. Armstrong Exhibit 191.

(Plaintiff's Exhibit No. 191 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. 191 is entitled, "A Brief Biography of L. Ron Hubbard." Would you please describe to the jury when you first saw this and under what circumstances.

A. The first time I saw this was in 1969 or 1970 in Vancouver, Canada.

Q. Who gave it to you?

A. It was available in the organization at that time.

Q. By the organization, you mean Scientology?

A. The Scientology franchise in Vancouver.

Q. Have you ever seen this document in any publication published by the Church of Scientology of California?

A. Yes, I have.

MR. WADE: We would offer Exhibit 191.

MR. COOLEY: No additional objection.

THE COURT: All right. It's received.

(Plaintiff's Exhibit 191 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, I would like you to read under the heading, vital statistics, the second paragraph which starts, "Hubbard, Lafayette Ronald".

A. "Hubbard, Lafayette Ronald, author, explorer, born Tilden, Nebraska, March 13, 1911. Son of H.R. & Ladora May, Waterbury. BS in civil engineering, George Washington University."

Q. Is there in the next paragraph another reference to civil engineering and George Washington University?

A. Yes, there is.

Q. Would you read that, please.

A. "BS in civil engineering, George Washington University, 1934."

Q. Under that it says "Ph.D." -- would you read that section where it starts Ph.D.

A. "Ph.D., Sequoia University, 1950."

Q. Do you know what Sequoia University is?

A. From my reserch, I was able to determine that it was what's commonly called a diploma mill.

Q. In your research, did you review any letters or other documents from Mr. Hubbard which concerned his obtaining a degree from Sequoia University?

A. Yes, I did.

Q. Would you relate to the jury what those documents were and what Mr. Hubbard stated in those documents.

A. It was correspondence between Mr. Hubbard and Richard DeMille, the adopted son of Cecil B. DeMille, and an author, A.E. VanVote. DeMille and VanVote worked for the Hubbard Dianetic Foundation in the early fifties, and both of them were involved in obtaining for Mr. Hubbard the Ph.D. degree, the honorary Ph.D.. And the correspondence is between the three of them, and VanVote in one letter says that he thinks he's going to be able to do it. And Hubbard writes that, yes, do it, it's very important to me right now. Something to that effect.

Q. Did Mr. Hubbard attend any classes at Sequoia University?

A. No, he did not.

Q. Would you now look at page two of Exhibit 191. I would like you to read, beginning with war service, the first paragraph under war service.

A. "Commissioned before the war broke out in 1941, by the U.S. Navy. He was ordered to the Philippines on the entry of the U.S. into the war. And was flown home in the late spring of 1942 in the Secretary of the Navy's private plane as the first U.S. returned casualty from the Far East."

Q. From your -- the Naval records that you reviewed, were you able to determine whether Mr. Hubbard served in the Philippines?

A. I was able to determine that he did not.

Q. Is there any truth in the rest of the paragraph?

A. No, there's not.

Q. Would you please read the last paragraph under war service.

A. "At the end of the war, having been relegated because of his physical condition to the amphibious forces in the Pacific, he had the adventures which are reported on the screen in Mr. Roberts. The bucket of that motion picture, stage play, and the novel is actually the AKA 54, the USS Algol. The captain so brutally characterized in the picture is actually Lieutenant Commander Axton P. Jones. L. Ron Hubbard as Mr. Roberts was with the ship less than a year, however, and contrary to script was not killed at Okinawa."

Q. That's fine. I would like to ask you some questions about that. Number one, did Mr. Hubbard ever serve --

MR. COOLEY: I object on the grounds of outside the scope of the pleadings. Nothing to do with Julie Christofferson Titchbourne. We are now dealing with statements that precede her birth.

THE COURT: Overruled, and I'll give the reason for that when the jury is not here.

BY MR. WADE: (Continuing)

Q. Did Mr. Hubbard ever serve on the USS Algol?

A. Yes, he did.

Q. Did the USS Algol ever sail to combat in the South Pacific?

A. I could not make that determination.

Q. Did it ever -- did Mr. Hubbard ever sail on the USS Algol?

A. He was definitely on board. I do not know that.

Q. I want to call your attention to a time when the USS Algol was -- I believe it was San Diego, do you remember that from Naval records?

A. I have seen one -- a couple of pages from that period I think you are referring to.

Q. Do you remember if Mr. Hubbard left the ship before it sailed?

A. Yes.

Q. How soon before the ship sailed did Mr. Hubbard leave?

A. I can't give you an exact time. I know he left before it sailed.

Q. Did Mr. Hubbard ever serve in combat during the Second World War?

A. The only combat which came to light in the Armstrong trial was an incident in which he apparently thought he had detected some submarines, which later turned out to be not the case, and this has been alleged as combat. That's all I know of. No evidence was ever obtained of there being indeed submarines there.

Q. Where did this alleged -- this attack on either whales or submarines occur?

A. It was during shakedown cruise, Mr. Hubbard sailed from the Albina shipyards in this area, south towards San Diego, and it was during that shakedown cruise, south of here, in which this incident occurred.

Q. Was a hearing convened concerning the incident?

A. There was an investigation which was done by -- I believe it's the the Northwest Command.

Q. What were the result of that investigation?

A. The results indicated that indeed there were no submarines.

Q. After the submarine or whale incident, did the ship continue --

MR. COOLEY: I don't know where the whale comes from that Mr. Wade keeps referring to. It's not in evidence.

THE COURT: Sustained.

BY MR. WADE: (Continuing)

Q. Was L. Ron Hubbard the man known as Mr. Roberts? There was a movie made about Mr. Roberts, do you have any information concerning whether or not he was Mr. Roberts?

A. Well, from everything I could determine, he definitely was not.

MR. COOLEY: What documents are we talking about, Your Honor?

THE COURT: What are you talking about, Mr. Wade. Lay a foundation.

MR. WADE: Pardon me, Your Honor?

THE COURT: I said you would have to lay a foundation.

BY MR. WADE: (Continuing)

Q. From the Naval documents, were you able to determine whether or not he was the character who later became Mr. Roberts?

A. I was able to determine from the Naval documents, and also from Mr. Hubbard's own handwriting, his own statements, in which he later claimed that he was not he denied this.

Q. Thank you. By the way, do you know who wrote Exhibit 190 and 191?

A. L. Ron Hubbard.

Q. How do you know that?

A. Because I saw -- this one in his own handwriting.

Q. Which one are you talking about by "this one"?

A. 190. And I also saw 191, an original typed version with his notes.

Q. On the last page of 191, I believe there's a quotation from an axiom. Would you read that quotation to the jury, please.

A. "Truth is the exact time, place, form and event. By L. Ron Hubbard."

MR. WADE: Please hand Mr. Armstrong Exhibit 192.

THE COURT: Before we start with another exhibit, it is a couple of minutes until noon. We will recess for lunch.

Members of the jury, please remember my cautionary instructions, leave your note pads in the jury room. Be back here at 1:30.

(Jury was excused.)

(Following proceedings held out of the presence of the jury.)

THE COURT: You may step down.

(Witness excused.)

THE COURT: Did we leave something openended?

MR. COOLEY: There was some exhibit Your Honor asked Mr. Wade to hold. I think it was --

MR. RUNSTEIN: Placed dead and brought back to life.

THE COURT: Yeah, oh, whether it was you objection that it was not within the scope of the pleading. I read the eleventh amended complaint. I didn't see it in there as a representation made unless you are referring to it being made in one of the books.

MR. WADE: Yes, Your Honor. It's made in almost all of the books, including Dianetics, The Evolution of Science.

THE COURT: Well, that's one of the books you specified.

MR. WADE: And it states on the -- it is a matter of medical record that he has twice been pronounced dead.

THE COURT: Okay. All right. I didn't remember it specifically in that pleading state but it's made in the books, I see.

MR. COOLEY: Your Honor, I hope the record is clear that I have an ongoing objection to the relevancy as well as on the constitutional issue that I have raised. We fought out the relevancy objection a long time ago, and I don't want to slow down the trial by continuing to make it. I do want, however, for the record to be clear for possible -- later use.

THE COURT: Right.

MR. COOLEY: Thank you, Your Honor.

THE COURT: Okay.

(Recess at 12:00 noon.
Court reconvened at 1:37 p.m.)

THE COURT: Get the jury, please.

Mr. Armstrong.

(Witness resumed the witness stand.
Following proceeding held in the presence of the jury.)

THE COURT: Mr. Wade.

BY MR. WADE: (Continuing)

Q. Yes, Mr. Armstrong. Are you familiar with the representation concerning Mr. Hubbard that: it is a matter of medical record that he has twice been pronounced dead?

A. Yes.

Q. Did you find any medical records which indicated that Mr. Hubbard had twice been pronounced dead?

A. No, I did not.

Q. Would you please hand Mr. Armstrong Plaintiff's Exhibits No. 192 and 193.

(Plaintiff's Exhibits No. 192 and 193
handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, could you describe Plaintiff's Exhibit No. 192.

A. Plailntiff's Exhibit No. 192 consists of three parts. The first is a -- it's the last page -- is a form sent by Who's Who in California, a publication, a Who's Who publication, to Mr. Hubbard. They had it filled in and it was then sent to Mr. Hubbard by his personal secretary. She filled it in up to a certain point and then her name was Irene Thrupp, T-h-r-u-p-p. It's dated 8 March 1967. She sent it to Mr. Hubbard, and he has written on it a number of things and attached in his own handwriting some other biographical notes.

Q. When did you first see the documents that make up Plaintiff's Exhibit No. 192?

A. I saw these in the Hubbard Archives in probably 1980.

MR. WADE: Your Honor, we will offer Plaintiff's Exhibit No. 192 at this time.

MR. COOLEY: No additional objections beyond what we discussed, Your Honor.

THE COURT: Okay, Mr. Cooley.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, would you look at what would be the third page. Is this page in Mr. Hubbard's handwriting?

MR. COOLEY: What page?

MR.WADE: The third page.

THE WITNESS: Of Plaintiff's Exhibit No. 192?

BY MR. WADE: (Continuing)

Q. Yes.

A. Yes, it is.

Q. Would you read, please, the first paragraph.

A. "Add war record: service in five theaters, 1940-46. Twenty-one medals and palms. Resigned 1950."

Q. Are you familiar with the representation that Mr. Hubbard was extensively decorated during the war?

A. Yes, I am.

Q. Is that true?

A. No, it's not.

Q. It states here he received twenty-one medals and palms. Do you know how many medals he received?

A. I have a record of five.

Q. Were any of those meda;s for heroism?

A. No, they were not.

Q. We talked about representations, specific representations in this case. I now want to take you to another area, and I'd like to call your attention to a chart -- a chart that was prepared and used --

A. I can't see it. That's fine for me.

Q. For some background, I would like to know when you first arrived on the ship Apollo.

A. The date of that?

Q. Yes.

A. That would have been in mid February 1971.

Q. I would like you to describe to the jury -- I realize we went through this very quickly, at the beginning of your testimony yesterday, but I would like you to go through and describe your duties on the ship, who your supervisor was, who was controlling the organization. And start from the point when you first arrived on the ship, up until 19- -- the end of 1975, please.

A. All right. My first duty onboard the ship was as the assistant stores man, and I took care of the ship's stores -- vegetables and meat and food -- and supplied those, as requested, to the galley for their use in cooking the meals. My immediate senior was a man by the name of John Nelson.

Perhaps I can explain the structure of the organization onboard the ship so you will understand where I fit in. The ship was at that time divided up into three major organizations within the body of the crew. We varied onboard from about 320 to 440 people on board, some of whom throughout that period were students or people who came to the ship to buy various services: auditing and so forth.

I was in the part of the ship known as the Flag Ship Organization and that was the part of the ship which dealt with the actual running of the vessel itself and providing services to the other two organizations which were onboard. One of those organizations was what was called the Flag Bureaus, and the Flag Bureaus was involved in the management of all Scientology organizations and franchises internationally. And the other organization onboard was what was called the Flag Administration Organization, and they were involved in auditing and training. They gave courses and they audited people onboard and they audited the crew itself.

Again I was -- throughout the period of time that I was onboard, I was in the Flag Ship Organization. I spent the first, perhaps, two or three weeks in what was called the galley section. My immediate senior was a man by the name of John Nelson, and we were all organizationly under the Captain of the ship. The Captain was underneath the Commodore, and the Commodore was L. Ron Hubbard.

My second major position was on the Deck Project Force, and I was just training in deck work on the ship: chipping and painting and cleaning and that sort of thing. And then my senior at that time was the bosun, and I think his name was John Wilson.

I then became the ship's Boat and Transport In Charge. That's ship's Boat and Transport In Charge; ship's with an 's. I was in charge of the lifeboats. There were eight lifeboats onboard and there were a couple of other sea sleds and vehicles. And I provided transport to all the other personnel onboard the ship, to all the other organizations. And my senior during that period, or most of it, was a man by the name of Stewart Maro, who was the First Mate. His immediate senior is the Captain, and the Captain's immediate senior was L. Ron Hubbard.

Then I became the ship's representative; that was in early 1972. I stayed on that post for approximately two years, and my immediate senior initially was a man by the name of Gary Titus -- that was only for a brief period -- then it became Peter Warren, who was the Port Captain. And again, throughout this period the captain, during a lot of this period, was a man by the name of Norman Starkey.

As the ship's representative, I was responsiblrelations of the ship. When we went into dry dock in, I was involved in negotiating contracts with the dry dock company, and I was responsible for dealing with the ship's agent, with Immigration and Customs, and I had under my responsibility all the passports of the individuals onboard. Before anyone could leave, they had to go through me to get their passport. And I was involved in the sending of people off to missions throughout the world, clearing them on and off the ship and clearing goods on and off the ship.

Then I was the -- in charge of public relations for the ship in the ports that we visited in 1974. And at that time I had a couple of seniors: one was John Bregan and one was Peter Warren.

And then I did some port missions, I mentioned yesterday. And on these port missions I had a senior who was the Programs Officer. We were operated by -- whoever operated -- Mission Ops, Mission Operator was the post, and that person was in the Flag Bureaus because all the missions, which were sent off the ship were sent by the Flag Bureaus. That was -- again that was the management body onboard the ship. And so during the period of time whenever I was on mission, I reported to the Mission Ops, who occasionally was a man by the name of Mark Ingber and a man by the name of John Horwitch.

Then in late 974 I became the Intelligence Officer onboard the ship. And during this period of time we got onboard the ship a Guardian's Office. It was a very small compliment Guardian's Office. In fact the Port Captain's Office, of which I was a part,performed the same duties as the Guardian's Office. And during this period of time when I was the Intelligence Officer, I had really two seniors: one was the Port Captain, who was a man by the name of John Danilovich, and one was the Assistant Guardian for Intelligence Flag -- the AGI Flag -- a man by the name of Brian Rubineck. And this continued until I left the ship in approximately September 1975.

Q. Mr. Armstrong, during this period of time did you obtain information and were you able to determine the command lines or structure of Scientology?

A. Yes.

Q. We have prepared -- in fact, I think you had this prepared chart, this was used in the opening statement of this case. We have tried to simplify things a little bit in the chart. But I would like you to take a look at it.

First, I would like to ask you, in the chart, which personnel would be Sea Org personnel?

A. Everything on the right side is Sea Org personnel. In fact, everyone in Scientology down to the level of a local organization, for example, Portland organization, everything above it would be Sea Org personnel except -- and this is very rare -- when they would employ on short-term contracts non-Sea Org staff, for auditing, generally.

Q. Would that be everyone from -- take it from here up?

A. Except for on the left. The Guardian's Office was principally not Sea Org personnel.

Q. With respect to the command lines, would you describe, using that chart, if and how Mr. Hubbard obtained and continued control over the other people on the chart.

A. Well, he had absolute control and he maintained it by the issuance of orders and the continually requiring of compliance from each one of those people below to his orders.

Q. Maybe we should begin with the left-hand side, which is the Guardian's Office line. Could you explain how the Guardian's Office line operated, let's say, with respect to Mr. Hubbard, if he wanted orders complied with in Portland or the Deputy Guardian U.S. or through Guardian's Office World Wide. Explain how though lines ran.

A. Well, they could either run on-line, which would mean that an order for L. Ron Hubbard to the AG Portland would run through Mary Sue Hubbard, the controller, down to the Guardian, Jane Kember, down to the Deputy Guardian U.S., who at that time was Henning Heldt, down to the AG Portland. He could also issue an order direct, so he could bypass all those individuals and issue an order direct to the AG Portland, and he could simply send the people who he had skipped a carbon copy of whatever order he had issued or he wouldn't even have to do that because he operated as he wanted and he informed whoever he wanted of whatever he wanted. So he could either communicate on-lines, that is informing everyone up and down the line, or he could just communicate directly with the person.

Q. With respect to Mary Sue Hubbard, do you know where she was physically -- where she was located in 1975 and '76, where she was living?

A. Yes.

Q. Where was she living?

A. In 1975, up until approximately September, October period, she was on the ship. There was a period of -- then she came ashore and was in Daytona Beach. And that was only about a month in the latter part of -- it would be November -- October and November period. Then at the beginning of December, she moved to Dunedin, Florida and she stayed in Dunedin until into June of 1976.

Q. During that period of time, did you work in a Guardian's Office?

A. This was a period of time when, on the ship, we were in esence in the Guardian's Office. We were the Port Captain's Office, which was the equivalent and we worked with the Guardian's Office staff who were on board. In Daytona Beach, because we were no longer on board, there was no Port Captain's Office, then I was in the Guardian's Office proper. That only lasted for perhaps three weeks or a month, so I was in the Guardian's Office proper in -- I would say throughout November 1975.

Q. How did Mr. Hubbard obtain information from the -- let's say, the Deputy Guardians U.S., AG Portland or Guardian World Wide when he was aboard the ship?

A. Well, his wife was on board the ship. She was the controller so she was the immediate contact point that he would have into the Guardian's Office. But there was a great deal of communication, while we were on the ship, between GO WW -- that's the Guardian's Office World Wide, which was located in England -- and the ship.

Later when we moved -- especially when we moved into the Caribbean area in 1975, and when we came ashore, the Flag personnel fell more under the Guardian's Office U.S. So he had a communication line going both to World Wide, where the Guardian was, Jane Kember, and to GO U.S. where the Deputy Guardian for the U.S. Henning Heldt was.

Q. With respect to the right-hand side of the board, the Sea Organization side of the board that we have, would you explain how Hubbard's orders got from him to, let's say, Church of Scientology Mission of Davis.

A. It would really depend on what the order was, because the order would also come via the Mission Office World Wide.

Q. The Mission Office World Wide, and that was part of the Guardian's Office?

A. That's correct. MOWW was located in England and was part of the Guardian's Office at World Wide. It was to MOWW that the ten percents from a mission were sent, and they had a supervisory capacity over the various franchises internationally. So in this case, a Portland franchise would be communicated to MOWW. Additionally, a mission -- and not talking about mission being a franchise here, but a mission being a number of people who are sent out to do a specific assigned duty as a military mission -- would be briefed on Flag, first on the ship and then at the Flag Bureaus in

Clearwater when we came ashore, and could be sent to a mission to carry out whatever Mr. Hubbard's orders were for that particular -- for that franchise.

Q. With respect to the right-hand side of the board, the Sea Org side, could you explain perhaps in a little more detail how the organization was set up.

A. Okay. Let me say one more thing before I do that, too. And that was that the missions also fell under part of the organization called Distribution. It was one of the divisions of Scientology, the head of which was Diana Hubbard. Diana Hubbard Horwitch. She was called CS 6 or Commodore Staff for Distribution. The Commodore being L. Ron Hubbard. And he had a group of -- between seven and twelve staff aids that were called the Commodore Staff Aids, and they were directly below him. One of them was called the Commodore Staff Captain who was like the head of the aids, and there was an aid for each division of Scientology and there was an aid for various of the other activities of Scientology, for example, estates and buildings, someone over buildings in the estates.

These people reported directly to L. Ron Hubbard and he controlled them. And they, in turn, controlled their respective division of Scientology. So Diana Hubbard was overall in charge of franchises and there was a control which existed via her.

In order to carry out Mr. Hubbard's orders, programs, projects, there was another organization right below the aids called the Flag Bureaus, and they were the people who ran missions, who operated missions, who briefed missions, sent them out into the field to franchises, to organizations to do specific things. So the control was really via the Flag Bureaus up to the aid level and up to Mr. Hubbard.

MR. WADE: Please hand Mr. Armstrong Exhibits 196 and 197.

(Plaintiff's Exhibits 196 and 197 handed to the witness.)

THE COURT: You are losing me on these exhibits, gentlemen. I have already got a 197.

MR. WADE: Your Honor, we would request that the, I believe, the 197 the Court has should be 197-A. We have marked 197-B yesterday afternoon because we discovered there was a 197-N. The one we are offering now is 197-B.

THE COURT: The last two you handed to him were 192 and 193.

MR. WADE: They should be 196 and 197, Your Honor.

THE COURT: You just gave him 192 and 193 and he identified 192 and that's as far as we got.

MR. WADE: We could go back and pick up 193

--

THE COURT: I don't want to run your trial. I just want to tell you what the exhibits are.

MR. WADE: What I would like to do at this time, Your Honor, is go to 196 an 197-A.

THE COURT: Okay.

MR. COOLEY: Are you changing the B to an A?

MR. WADE: 196 and 197-A.

BY MR. WADE: (Continuing)

Q. Is that correct, Mr. Armstrong, the documents you have in front of you?

A. No, mine is marked 197-B.

Q. Let me take a look and make sure I have the right one. That's right, 197-B.

THE COURT: Does that mean I have three 197s?

MR. WADE: No, you have 197-A, Your Honor, and 197-B is the way we marked them.

THE COURT: What happened to the old 197 that I had? .

MR. WADE: The old 197 became 197-A to differentiate --

THE COURT: You did that overnight without someone telling me.

MR. WADE: We did that yesterday without telling you.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to 196 and 197-B, can you identify those documents.

A. Yes.

Q. And what are the documents?

A. These are policy letters. 196 is called "Income Flows and Pools, Principles of Money Management". And these --

Q. What is 197-B?

A. 197-B is another policy letter called "CLOs, OTLs, and Flag".

Q. Do these two policy letters deal with the organizational structure of Scientology?

A. Yes, they do.

MR. WADE: We will offer Exhibits 196 and 197-B, Your Honor.

MR. COOLEY: May I ask a question in aid of an objection?

THE COURT: Yes.

VOIR DIRE EXAMINATION

BY MR. COOLEY:

Q. Exhibit 196 is issued March 9, 1972. Was this in effect when you left Scientology?

A. Are you saying by that do you mean was the structure was as noted here?

Q. Was this a -- was this HCO policy letter of 9 March 1972, issue one, still in effect at the time you left Scientology?

A. As far as I know.

Q. Do you have any knowledge one way or another?

A. No, I don't.

Q. And with respect to 197, the same question; that's dated July 22, 1971. Do you know whether that was still in effect when you left Scientology?

A. No, I don't.

Q. Do you know whether these were in effect in 1975 and 1976?

A. As far as I know, they were.

Q. Do you know one way or another, whether they were or not?

A. Certainly Finance Series Eleven, The Income Flows One was part of FP Hats during that period of time.

Q. What about Exhibit 197-B?

A. I can't say. I can tell you that some of the terms given the junior organizations were changed.

MR. COOLEY: I have no additional objection to 196. I do object to 197 for the lack of a proper foundation.

THE COURT: 197-B you mean.

MR. COOLEY: 197-B. I'm sorry, Your Honor.

THE COURT: Okay. 197-B he seems to be a little bit uncertain about, Mr. Wade.

MR. WADE: Certainly, Your Honor. We will withdraw the offer of 197-B at this time and offer 196.

THE COURT: That's received.

(Plaintiff's Exhibit 196 was admitted into evidence.)

MR. WADE: As was pointed out, if we can take just a minute to go back to Exhibit 192, with respect to Exhibits 192, I would offer that at this time, Your Honor.

THE COURT: It's already been received.

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. With respect to -- do you have Exhibit 193, Mr. Armstrong?

A. Yes.

Q. Would you identify Exhibit 193, please.

A. Exhibit 193 was -- it's a biographical outline of Mr. Hubbard and it comes from the Hubbard Archives.

Q. Do you know who prepared this biographical outline?

A. I know that it was approved by L. Ron Hubbard.

Q. How do you know that?

A. It was in his archives and I saw notes from him regarding this document.

Q. Does it contain some of the representations that we have discussed in your testimony today?

A. Yes.

MR. WADE: We will offer Exhibit 193, Your Honor.

MR. COOLEY: Question in aid of an objection, Your Honor.

THE COURT: Okay.

VOIR DIRE EXAMINATION

BY MR. COOLEY:

Q. In this Exhibit 193 was found where, sir?

A. In the Hubbard Archives.

Q. Do you have any knowledge of the use to which it was put?

A. No, other than this information has been -- is the same as whatever has been published broadly.

Q. Do you know whether this document was published?

A. I don't.

MR. COOLEY: I object.

THE COURT: Well, I don't think it's being offered for the fact that the document has been published. I thought the offer was for the representations contained therein having been published.

MR. WADE: That's correct.

MR. COOLEY: My only problem with that, I don't know where the alleged representations were made from this document.

THE COURT: Okay. We can find that out, certainly.

MR. WADE: Your Honor, we are offering this basically because it shows Mr. Hubbard is the organizational knowledge that were made. And that's the purpose of offering this document. Not that this document was shown to anyone else. It came from Hubbard's archives, it was authorized and approved by Mr. Hubbard.

THE COURT: And the reason again you are offering it?

MR. WADE: The reason is because it shows those representation again came from Mr. Hubbard and the organization were in the archives of the organization, at least by 1980. And it would go to show knowledge of the representations and their being made and who made them. Who originally made the representations, it's Hubbard's knowledge that the representations were made, because he authorized them.

MR. COOLEY: Further question in ais of an objection?

THE COURT: Yes.

BY MR. COOLEY: (Continuing)

Q. I don't see any signature of L. Ron Hubbard on this document. What about the document leads you to conclude that he authorized or wrote it up?

A. Well, there were other ones identical in the archives and I know there were other attachments, and I was definitely able to determine that when I was there.

Q. Is his handwriting anywhere on this document?

A. No, it isn't. The handwriting that is here is the personal secretary.

MR. COOLEY: I object to it, Your Honor.

THE COURT: Mr. Wade, we have a different ballgame now.

MR. WADE: Well, what I would do is if I could go on with the examination and we can hear this the first time we have a break.

THE COURT: Okay.

MR. WADE: Thank you.

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, even though it's somewhat simplified, is this a reasonable and accurate depiction of the control lines of the Sea Org, the Guardian's Office and L. Ron

Hubbard?

A. Yes.

MR. WADE: May I have a sticker, please.

We will mark this as 205.

(Plaintiff's Exhibit 205 marked for identification.)

MR. COOLEY: No, additional objection, Your Honor.

THE COURT: 205 is received.

MR. WADE: Thank you.

(Plaintiff's Exhibit 205 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to --

MR. WADE: Please hand the witness Exhibit 198.

(Plaintiff's Exhibit 198 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify Exhibit 198.

A. Yes.

Q. And what is it?

A. This is a policy letter of 18 June 1968 entitled "Ethics".

Q. Do you know if this policy letter was in effect in 1975 and '76?

A. Yes, it was.

MR. WADE: We would offer Exhibit 198, Your Honor.

MR. COOLEY: Subject to verification of its its effectiveness in those years, I have no objection.

THE COURT: It is received.

(Plaintiff's Exhibit No. 198 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, what is the stated purpose of the Sea Organization?

A. To get in ethics on the planet.

Q. What is the stated purpose of ethics?

A. To remove counter intentions from the environment, and having accomplished that purpose, to remove other intentionness from the environment.

Q. As a former Sea Org member, were those purposes taken literally?

A. Yes.

Q. Are suppressive persons counter-intentional?

A. Yes.

Q. Then according this, counter intentions must be removed; is that correct?

A. That's correct.

Q. What does the phrase, "to remove other intentionness from the environment" relate to?

A. An other intention is an intention different from Mr. Hubbard's or the Organization's intention, but not necessarily running counter to it. So it is not in direct opposition to it, but it is doing something else. If someone is doing something other than Scientology or is intending to do something, then that other intentionness must be removed.

Q. Can public Scientologists participate in Scientology with other intentionness?

A. Not while they are participating in Scientology.

Q. Would you explain that, please.

A. Well, for an example, it would be acceptable for a public Scientologist to carry on a job outside the Organization and come in at the proper times and do the Scientology courses; however, if during the times when one is supposed to be coming in to do the courses one is doing something else, for example going to a show, that is unacceptable, that is other intentionness.

Q. Can a public Scientologist participate in Scientology if they have counter intentions?

A. No, they can't.

MR. WADE: Would you please hand Mr. Armstrong Exhibit 199.

(Plaintiff's Exhibit No. 199 was

handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, will you identify Exhibit 199, please.

A. This is a policy letter of 15 September 1973. It's called "Confidential Handling Disconnections".

MR. WADE: We would offer Exhibit 199, Your Honor.

MR. COOLEY: May I ask a question in aid of an objection, Your Honor?

THE COURT: You may.

VOIR DIRE EXAMINATION

BY MR. COOLEY:

Q. Do you know whether this policy letter, was ever repealed?

A. I don't know that it was.

Q. Do you know whether it was in effect in 1975 and 1976?

A. Yes, it was.

Q. You are sure of that?

A. Yes.

MR. COOLEY: No additional objections, Your Honor.

THE COURT: 199 is received.

(Plaintiff's Exhibit No. 199 was admitted into evidence.)

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. I don't want to ask you any questions about this exhibit at this time except I notice it says confidential. What is the difference between confidential policy letters and policy letters like we can find in the green books?

A. Confidential policy letters are available only to the people who are designated to receive them. This is not a policy letter that the public would see or that would be available to the public. It would not be available to people in Scientology organizations other than those listed on the routing of the policy letter.

Q. Who are the people listed?

A. HCO Area Secretaries, those are the people who are in charge of the Hubbard Communications Office, which is a division inside every organization; AG's, those are Assistant Guardians, who are the heads of the Guardian's Office within each organization; Ethics Officers, they are the people who are the -- underneath the HCO Area Secretary, are responsible for ethics in each organization; Quality Secs, those are the secretaries in charge of the Qualification Division of each organization. They are overall responsible for reviews, search and awards, that sort of thing; CS's, those are the people who order the auditor what to do in an auditing session; D's of P, those are the Directors of Processing and those are the people who are over top of the Auditing Department in every organization. And those are the only people who are supposed to receive copies of this confidential issue.

Q. Again, what does it concern?

A. Handling disconnections.

MR. WADE: Please hand the witness Exhibit 200.

(Plaintiff's Exhibit No. 200 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, Exhibit 200 is HCO policy letter of 27 February 1971, revised 22 March 1978; is that correct?

A. Yes.

Q. Did you become familiar with this policy letter while you were a member of Scientology?

A. Yes.

MR. WADE: We would offer Exhibit 200, Your Honor.

MR. COOLEY: It will take me a few minutes to examine this, Your Honor.

MR. WADE: We will go to another area.

BY MR. WADE: (Continuing)

Q. In addition to the lines that we talked about, are there any additional organizations that Mr. Hubbard has that he can use to obtain control over the various Scientology corporations and organizations?

A. Well, there are, in addition to what we have -- what I have mentioned, there are two more significant channels of control. The first one is the LRH Communicator Network. In each organization or franchise and all the senior organizations, there was an LRH Comm or an LRH Communicator.

Q. Excuse me, Mr. Armstrong, could you perhaps go to the board and draw in something on the board, which would show the existence of these next lines you are going to be talking about, while you do it?

A. Okay. Do you want it drawn on that?

Q. Yes, please.

MR. COOLEY: We will have to use a different color so we can find out what is being marked now.

THE COURT: Yes.

MR. COOLEY: I knew you were going to think of that.

THE WITNESS: Here, I'll only draw it the way it was in 1975 and '76. And I'll --

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, when you talk, you are going to have to pull this out further so that when you talk you can address the jury. And you have to remember to keep your voice up.

A. Directly underneath the Commodore, L. Ron Hubbard, was a position called LRH Personal Communicator. He was at that time the head of the LRH Comm Network. I'll draw him in: "LRH Pers Comm".

Beneath the LRH Pers Comm, just in terms of running the LRH Comm Network, was Commodore Staff Aid for the Executive Division; the Executive Division in Scientology was Division 7. The post was called CS7, so it was the Commodore Staff Aid for the Executive Division, which included the LRH Communicator in each organization. I'll put down here "CS7".

Then within each organization, internationally, was an LRH Comm. Also a franchise would have an LRH Comm; COSMOD had an LRH Comm; Portland had an LRH Comm; each one of the junior organizations internationally had an LRH Comm.

There was a level in here, as well, we talked about earlier -- the Flag Bureaus. So there's an Aid in the Flag Bureaus. There's an LRH Comm in the Flag Bureaus who is then responsible for the next level down.

And I'll -- it gets very complex, but --

Q. Could you just draw the line how it gets to COSMOD?

A. Okay. At this level there's something called the Flag Operations Liason Office. During that period of time that we were concerned with, that was in Los Angeles. So it came down from L. Ron Hubbard, Pers Comm, CS7, Flag Bureaus, to the Flag Operations Liaison Office and down to the LRH Comm, Portland, or from here to the LRH Comm COSMOD.

It was a completely autonomous network; although the personnel worked within these other units, within these other organizations, it was completely autonomous. So that in order to go directly down this channel and be carried out by the LRH Comm, Portland and the LRH Comm, COSMOD --

Q. Take the stand again. Does that explain that line of control?

A. That explains the LRH Comm line of control. The other line of control is the Commodore's Messengers.

Q. Do you say need to use the chart to explain the Commodore Messenger line of control?

A. No.

Q. Okay. Take the stand please.

MR. COOLEY: May the record show, Your Honor, that the blue writing is the writing that has been added.

THE COURT: The record will so indicate.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, what were the duties of the LRH Comm, no matter where the LRH Comm was situated?

A. To get compliance to LRH orders.

Q. Were there any priorities of LRH orders?

A. Yes, there were.

Q. What were those priorities?

A. The priorities are listed out in this -- in the policy letter called "LRH Comm New Basic Duties".

Q. Which exhibit is that, Mr. Armstrong?

A. In 200.

MR. COOLEY: That's the one I have now reviewed, and I have no additional objections.

THE COURT: Okay. 200 is received.

(Plaintiff's Exhibit No. 200 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Would you please go to, I believe it's page 4 of Exhibit 200. Does that list the priorities?

A. Would you read the priorities to the jury, please. The priorities of Mr. Hubbard's orders.

A. The priority of LRH orders are:

"Direct Comm from LRH"; that's communication.

"A telexed order from a senior LRH Comm." So that would be someone, for example, Portland, then a telexed order from a senior LRH Communicator within that LRH Communicator Netword would be -- it would be next, right beneath direct communication from L. Ron Hubbard.

"A letter to the Executive Director or Secretary via the ED from or via a senior LRH Comm."

"LRH EDs, current." That ED in this context is an executive directive, which is another type of issue, another type of mimeographed issue or order put out by either Mr.

Hubbard or the Organization. In this case, it's an LRH ED, so it's an executive directive coming from him.

Beneath that is, "New HCOBs and tech tapes". Those are tapes about auditing or training.

"New policy letters and admin tapes." Admin being administration or policy; those green volumes you can see over there.

"Older HCOBs." An HCOB is a bulletin, a technical bulletin.

"Particularly a subject covered by a series of HCOBs, like exteriorization or CSing or the Dianetics checksheet, etc." These include any tapes.

"Older HCO PL's," Those are policy letters.

"Particularly a series or checksheet." These include any tapes.

"LRH ED series, older.

"In any conflict, the most senior LRH Comms order is taken." An example, LRH Comm Int, and a Continental LRH Comm, both telex orders. LRH Comm Ints order is taken as the senior order. LRH and LRH Comm orders have precedence over locally issued orders where there is any conflict of orders.

Q. With respect to that, we have the green volumes and the other policy letters. Is Mr. Hubbard, in effect, above policy?

A. Yes.

Q. Do you know why there had to be a priority for various kinds of orders from Mr. Hubbard?

A. For control purposes.

Q. Would you explain that.

A. For him to be able to retain control and do what he wanted, his orders would have to be senior to the stated policy.

Q. You also mention the CMO. With respect to the period 1975-1976, could you describe what the CMO was and the CMO's duties.

A. During that time, which was the period when we were on the ship and then left the ship and established, first in Daytona and then in Clearwater and Dunedin, Florida, the messengers worked directly for L. Ron Hubbard and they acted in large part as messengers. They carried out his messages, his orders, and relayed them to staff within the organization. Often they were called upon to go on missions for Mr. Hubbard and were operated directly by him on those missions. Always orders received from a Commodore's Messenger was treated as if it came directly from the Commodore, L. Ron Hubbard, and in that sense, they exerted tremendous power and authority within the organization. They acted for L. Ron Hubbard and relayed his orders and got compliance to his orders.

Q. Did you ever receive any orders from a Commodore's Messenger?

A. Yes. Several.

Q. Did you react to those orders as if Mr. Hubbard had given them to you?

A. Yes.

Q. There's been testimony in this case about the term that's been used, "culling". The culling of auditing files. Did you ever become aware of a practice in Scientology of culling or going through peoples' auditing files?

A. Yes, I did.

Q. When did you first become aware of that practice?

A. In November 1975.

Q. Would you please describe to the jury the circumstances.

A. I was at that time working in the Guardian's Office in Daytona Beach and a lot of my duties were the coding and uncoding of telexes, Guardian's Office telexes. A great deal of those telexs concerned information taken from peoples' PC folders. And this was the first time PC folders, being the preclear folders or the record which is kept during an auditing session of what the preclear person being audited has said. And there was a great amount of those -- that sort of information which I saw at that time, both in dispatch form, written out on paper, received from one of the Guardian's Offices in the U.S. or in the telex traffic, which I coded and decoded.

Q. Did you thereafter participate in culling of files?

A. Yes, I did.

Q. Would you describe to the jury what happened concerning your personal involvement.

A. The culling of files took place for me, and the culling in which I was involved, was during a time when I was on the RPF. The Rehabilitation Project Force, first in Clearwater and later at La Quinta, California. And I saw a great deal of culling of PC folders during those two times.

Q. Do you know whose files were culled?

A. I have a recollection of some names. I have more recollection of a lot of faces, but I don't recall all the names.

Q. I don't really want you to get into peoples' names, but I would like to ask you if there were any instructions given you on whose files should be culled?

A. Yes, there were.

Q. Whose files were to be culled?

A. We were ordered to cull the files of anyone who requested to leave the organization, did leave the organization, or was considered by the Guardian's Office as a security risk.

Q. Mr. Armstrong, I would like you to take a look at the last page of Exhibit 196. And I would like you to -- this is an HCO policy letter that is already in evidence; is that correct?

A. Yes.

Q. I would like you to read from the beginning of that page to the end of the listed series, which I believe is L.

A. Okay. "The governing policy. The governing policy of finance is to (a) Make Money; (b) buy more money made with allocations for expense; Bean Theory; (c) do not commit expense beyond future ability to pay; (d) don't ever borrow; (e) know different types of orgs and what they do; (f) understand money flow lines, not only in an org but org to org as customers flow upward; (g) understand Exchange of valuables or service for money, (Reference Policy Letter, Executive Series 3 and 4.); (h) know the correct money pools for any given activity; (i) police all lines constantly; (j) Make Money; (k) Make More Money; (l) Make Other People Produce So As To Make Money."

Q. Mr. Armstrong, the terms (a) make money; (j) make money; (k) make more money; and (l) make other people produce so as to make money; are those all capitalized?

A. Yes, they are.

Q. What's the only other capitalized word in what you read?

A. Exchange.

Q. Mr. Armstrong, in your research, did you discover any documents, any other documents that indicated Mr. Hubbard set up Scientology for the purpose of making money?

A. Yes.

MR. WADE: Please hand the witness Exhibit 201.

(Plaintiff's Exhibit 201 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify Exhibit 201?

A. Yes.

Q. What is Exhibit 201?

A. This is a letter from Mr. Hubbard to Helen O'Brien, regarding the establishment of a clinic, entitled "Re: Clinic, HAS". Which was the Hubbard Association of Scientologists.

Q. What is the date of the letter?

A. April 10, 1953.

MR. COOLEY: Where does the 1953 appear, Your Honor? There's no 1953 on here.

MR. WADE: I can take care of that, Mr. Cooley.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, were you able to determine the date, the year the letter was written?

A. Yes.

Q. How are you able to do that?

A. Because this is part of a series of correspondence and I know that the particular events being talked about here are from that period.

MR. WADE: We will offer Exhibit 201, Your Honor.

MR. COOLEY: May I have a moment to read it, Your Honor?

THE COURT: Yes.

MR. COOLEY: I think we have to be heard on this one.

THE COURT: I know the document.

MR. COOLEY: Do you have it in front of you.

THE COURT: No, I just remember it. I read it five weeks ago.

MR. COOLEY: I object to it, Your Honor.

THE COURT: I'll let you be heard, anyway.

MR. COOLEY: Thank you, I appreciate it.

THE COURT: Send the jury out, please.

(Jury was excused.

(Following proceedings held out of the presence of the jury.)

THE COURT: It's a document for -- if it's the one I'm thinking of, it's one of the Armstrong documents that I got from Judge Breckenridge and I released early and ruled that it was relevant.

MR. COOLEY: Yes, Your Honor. I understand that. I renew the objection. This document goes back now -- could the witness be excused while we argue?

THE COURT: Would you wait in the hall, please.

(Witness was excused.)

THE COURT: It was one of the few of the Armstrong documents that were released.

MR. COOLEY: This goes back to four years before Julie Christofferson was born, I think. Maybe longer than that.

I am -- particularly within the context of the argument that we had this morning, on the Supreme Court case, and on the -- its interrelationship with our Appeals Court decision. I am particularly concerned about the --

THE COURT: Last sentence or two.

MR. COOLEY: The last paragraph on the second page.

THE COURT: We are thinking of the same document.

MR. COOLEY: You have a very if good memory. You know exactly what I'm referring to.

THE COURT: I think that's been told me before in this case.

MR. COOLEY: And I think it is the ultimate attack on a religion prohibited by the Supreme Court of the United States and by the Appeals Court of this state. And whatever relevance there may have been for purposes of discovery, I really have great difficulty seeing any relevance for Julie Christofferson's case.

MR. WADE: We have a specific allegation covering this, Your Honor, that L. Ron Hubbard set up the Church of Scientology for his own financial inurement and benefit. This document is extremely relevant to that allegation.

THE COURT: Yes, that's not -- in the context in which I let it in in the first place, was based upon those allegations. I don't see a problem with it, Mr. Cooley. I don't see the religious nature of anything in that last few sentences.

MR. COOLEY: I see very serious First Amendment problem with it. But more important than -- nothing is more important than that, but --

THE COURT: No, that's important.

MR. COOLEY: But more specifically, with respect to this plaintiff's case, this is a letter written in 1953. It seems to me that, as a minimum requirement in this so-called fraud case that's being tried here, that this plaintiff has to prove a representation made reasonably in point of time close to when she was involved with Scientology or got into Scientology. To put in a letter of this nature that goes back twenty-two years before she ever walked in the front door of the Mission of Davis, it seems to me is so remote as to be inappropriate for use in this case. I think a remoteness consideration the Court ought to carefully review.

THE COURT: Yes. I really did carefully review it when Mr. Peterson argued it, when Mr. Runstein argued it, when Miss Roberts argued it. I have heard a lot about that document.

MR. COOLEY: Well, you were then dealing with an issue of discovery, Your Honor. I think it's a different matter. In discovery you deal with matters that are reasonably calculated to lead to the discovery of admissible evidence.

THE COURT: You misunderstood what I said. I said I considered all those things at that time. I didn't say just their arguments. I sometimes think ahead of what lawyers are talking about.

MR. COOLEY: Well, I don't doubt that, Your Honor, at all. But I made my objection. I have nothing further to add.

THE COURT: I understand.

MR. WADE: Well, Your Honor, specifically it addresses the allegations in our complaint. It doesn't matter whether it was 10 years before or eight years before. The allegations in the complaint concerns what was the purpose of Mr. Hubbard in setting up Scientology? And this letter goes to his purpose, this is the time when he was doing it.

THE COURT: It sure does.

Well, let's take a few minutes, gentlemen.

(Court recessed at 2:51 p.m.
Reconvened at 3:15 p.m.)

THE COURT: All right. Gentlemen, I have reviewed it and carefully thought about it again. Although I have not reviewed the document per se, I remember what it says. I have weighed the objection of remoteness against the relevancy of the document. I think the relevancy portion outweighs the objection to remoteness. I say that because there has been other evidence in this case of a continuing course -- I hate to use the word "scheme," but that's what the case law uses.

And consequently on that basis and for that reason, I have taken that and we weighed that against the objection of remoteness, which is a valid objection and which, in many situations, I would follow, but except for the other testimony in this case.

MR. COOLEY: Your Honor, under those circumstances, Your Honor, then may I request that if the witness is called upon to read any portion of the document, that he read the entire document, consistent with Rule 106?

THE COURT: I will honor that request.

MR. COOLEY: Thank you, Your Honor.

THE COURT: Get the jury.

(Plaintiff's Exhibit No. 201 admitted into evidence.)

THE COURT: I wanted my reasons stated clearly on the record for ruling in that way in the event it has to be reviewed.

(Following proceedings held in presence of jury.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, we were discussing Plaintiff's Exhibit No. 201, which is the letter to Helen O'Brien, dated April 10, 1953. Where did you obtain the letter to Helen O'Brien?

A. From Helen O'Brien.

Q. When did you obtain it from her?

A. In 1981.

Q. Did you obtain the original or a copy of the letter?

A. Original.

Q. And where is that original now?

A. In the Hubbard Archives.

Q. Where are the Hubbard Archives?

A. I can only tell you where I left them.

Q. Where did you leave them?

A. In the Scientology complex in Los Angeles.

Q. Who was Helen O'Brien?

A. She was the head of the Hubbard Dianetics Foundation in Philadelphia. She was the -- really the head of the Organization in the United States during the period 1952, early 1953.

Q. I believe when Mr. Hubbard wrote this letter he was in Spain?

A. That's correct.

Q. Could you explain for the jury the circumstances, the surrounding scene on April 10, 1953, with respect to Scientology and Dianetics.

A. Mr. Hubbard had lost the name Dianetics. It was no longer owned by him. And as a result, he formed Scientology, and this is the Hubbard Association of Scientologists, which is being referred to here. He's writing to Helen O'Brien regarding the establishment of a clinic. Shortly after this, the Scientology and another church, the Church of American Science, were established in the United States by Mr. Hubbard.

MR. WADE: We will offer Plaintiff's Exhibit No. 201, Your Honor.

THE COURT: You have an objection, Mr. Cooley, and it's noted.

MR.COOLEY: Thank you, Your Honor.

THE COURT: It will be received.

(Plaintiff's Exhibit No. 201 admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, I would like you to read to the jury the entire letter.

A. "Dear Helen: Re: Clinic HAS" -- that's the Hubbard Association of Scientologists -- "the arrangements that have been made seem a good temporary measure. On a longer look, however, something more equitable will have to be organized. I am not quite sure what we would call the place -- probably not a clinic -- but I'm sure it ought to be a company independent of the HAS, but fed by the HAS.

"The auditor arrangements of forty percent are out of line in view of what is going to be happening. The HAS will be paying for lights, quarters, stenography, reception, furniture, and janitor service. These will be found to come rather high in a clinic that really starts to run, if the clinic is going to be any credit to anybody. Further, it is from the HAS mail line that the preclears will be coming. And those preclears and the clinic revenue, now that we aren't going to try to make too much off books, are all that will support the HAS.

"I didn't go to all the work I went to on the HAS and other things to forget that my own revenue has to be a lot better than it has been in the past. As it is right now, and as it cannot continue to be, I am running an awful lot of show personally on no money. If you think Detroit would occur or continue if I had a couple of thousand, a couple thousand, think again. Newspapers are for sale in any direction, not just to the AMA. And I can't even support a press agent. All this adds up to is that a lot of expenses should be on the routine list, that can't be. And a lot of things that are done are paid for by my abstaining from a new overcoat.

"And this directly concerns such things as the Clinic. I do not in the least object to an auditor working for $200 a week, his rent and reception paid for, and his preclears procured. Beyond that, it gets silly. Even $200 a week is pretty silly. If I were there, I would be getting paid by somebody to work in the joint as an auditor, for it means his future reputation and his current training. At most I would pay a $125 a week and put two auditors on every case

-- current procedure here.

"The preclears come in by the dozens through the mail. If we didn't have a Clinic set up, we would have to watch that mail line because of this fact. We should anyway. In Phoenix, we gave them to Field Auditors. If we were to run there the United States Central Processing Office, or whatever, we would be able to count on ten to fifteen preclears per week at $500 for twenty-four hours of processing. That's real money. I have seen it happen before. We would get more preclears at $850 per week's intensive. Charge enough and we would be swamped. We need that money. We should not long plan to have it siphoned away.

"The HAS is the cause of that inflow, and it is the granting the favor in providing preclears and income. From that income, I would like to see go into a general fund for general operating expenses from here, press, communications, steno, at least $2,500 per month. If I had that much to operate with, you couldn't see over the amount of business we would get or number of dead bodies piled up before trial. You get the idea. But it takes money, lots of it. The Clinic, as I see it, is the most eligible bet to provide that money. For one reason, twenty-four hours of processing now is $500, old style.

"I have here a short, quick passage carefully saved. I can raise the dead, which is, of course, what I mean when I say dead bodies piled up. Resurrection would so influence public opinion. We don't want a Clinic. We want one in operation, but not in name. Perhaps we could call it a Spiritual Guidance Center. Think of it's name, will you? And we could put in nice desks and our boys in neat blue, with diplomas on the walls, and (1) knock psychotherapy in to history and (2) make enough money to shine up my operating scope and (3) keep the HAS solvent. It is a problem in practical business.

"I await your reaction on the religion angle. In my opinion, we couldn't get worse public opinion than we have had, or have less customers with what we've got to sell. A religious charter would be necessary in Pennsylvania or New Jersey to make it stick. But I sure could make it stick. We are treating the present-time-beingness; psychotherapy treats the past and the brain. And, brother, that's religion, not mental science.

"Glad you are using my typewriter. I make you a clear gift of it. It's a nice little mill. I have a ten-pound Olivetti here -- got it from Italy -- the world's tiniest, but it types like a well-greased dream. I am writing 'This is Scientology.' I couldn't make it by the issue you now have. I have wired you to the effect that the type is okay you are using, in view of the price. All that is really wrong is the type masthead makes it look old-fashioned. Get another masthead drawn, nice and black and simple. Also use another typeface for the headline under it.

"Didn't know prices could be so wide. Looks like we make it a twelve-page edition every time at that price. I could review in it everything we have got to keep hold of as knowledge and do all the axioms for it, as well. Then we could make the axioms into a book. Boy, are these new ones easy to teach and work. I sent Noyga one" -- N-O-Y-G-A -- "there are about three.

"Clears -- Hell, I never saw so many so fast. Case 5 easier than a Case 1. When the problem cracked, it really cracked wide open. You will have the most recent tapes soon. One batch has already gone to you. We are in, O'Brien. Best regards. Ron."

Q. What was the number of that exhibit, Mr. Armstrong?

A. Plaintiff's Exhibit No. 201.

Q. Mr. Armstrong, you stated, I think, you were aboard the ship until sometime in 1975?

A. Yes.

Q. At what point in 1975 did you leave the ship? What time?

A. Sometime in September.

Q. Was that where the land base, the Flag base moved from the ship to somewhere in Florida?

A. No. It was just prior to that.

Q. When you were -- We have had various documents in evidence -- books. And in front of some of the books there are stickers, I think, that have been read from. When you were on the ship Flag -- First, was that the highest organizational structure in Scientology at that time, the ship?

A. Yes.

Q. Were there -- those little stickers in the front of books?

A. No.

Q. That was in 1975?

A. No. In 1975, there were quite a few books with these stickers in.

Q. Would you explain when they were put in and what happened.

A. After we came across the Atlantic -- that was in early October of 1974 -- we sailed from Madiera to Bermuda. Then I was involved in a mission to do all the legal steps necessary for entry into the United States. And it was at that time that everyone onboard who had Dianetics or Scientology books was given these stickers and told to enter them -- to paste them into their books, because of a ruling in an earlier court case which required that Scientology books have this announcement.

Q. So prior to crossing the Atlantic to enter the United

States, there were no stickers in the books?

A. That's correct. Tstickers until the mission which I did in Bermuda.

MR. WADE: Would you please hand Mr. Armstrong Plaintiff's Exhibit No. 203.

(Plaintiff's Exhibit No. 203 was handed to the witness.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify Exhibit 203?

A. Yes.

Q. What is it?

A. This is a Guardian's Order written by L. Ron Hubbard, and the title of it is "Program LRH Security, Code Name: Power."

Q. What's the date on the Order?

A. 26 November '75.

MR. WADE: We would offer Plalintiff's Exhibit No. 203, Your Honor.

MR. COOLEY: Could I ask a question in aid of an objection, Your Honor?

THE COURT: You may.

VOIRE DIRE EXAMINATION

BY MR. COOLEY:

Q. Who were these people to whom copies are indicated?

A. The Order was written by L. Ron Hubbard, and it was written to the Deputy Guardian U.S. -- DGUS. Carbon copies went to CSG -- that's Commodore Staff Guardian, or Controller, Mary Sue Hubbard. Carbon copy to the Guardian World Wide, Jane Kember. And a carbon copy to the Pers PRO, Laurel Sullivan.

Q. Did a copy go to you?

A. No. I had the file.

Q. I'm sorry? You had what?

A. I was not on this routing. I had the file.

Q. Was this one of the things you decoded?

A. No. This was -- it was an Order which Mr. Hubbard wrote, and the file was maintained by the LRH External Comm Bureau.

Q. Did you maintain the file?

A. It went between my office and LRH's office.

Q. Did it come in this form for your office?

A. This was on the inside of the folder, of the file folder.

Q. It wasn't sealed?

A. No.

MR. COOLEY: No additional objection, Your Honor.

THE COURT: Plaintiff's Exhibit No. 203 is received.

(Plaintiff's Ehibit No. 203 was

admitted into evidence.)

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, would you please read the title of the document, and the first two paragraphs.

A. "Program LRH Security, Code Name: Power. Maintain an alerting early-warning system" -- this is number one -- "Maintain an alerting early-warning system throughout the GO Network" -- a Guardian's Office Network -- "so that any situation concerning government or courts, by reason of suits, is known in adequate time to take defensive actions to suddenly raise the level on LRH personal security very high. The target is given to the DGUS."

Q. That's all you have to read from this document.

MR. COOLEY: Could we have DGUS explained.

THE WITNESS: DGUS is it the Deputy Guardian for the United States. At that time, it was Henning Heldt.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, do you know what the purpose of this order was and how the order was effectuated, the purpose of the order.

MR. COOLEY: I object. Without a proper foundation, on his ability to answer that question, Your Honor.

THE COURT: Lay a foundation.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, in November of 1975, and thereafter, did you become aware of any efforts to conceal the whereabouts of Mr. Hubbard or his control of the Church of Scientology?

A. Yes.

Q. In fact, I will withdraw the question.

I want you to start from the first time you came aboard the ship, and I want you to describe for the jury any efforts you are aware of to conceal Mr. Hubbard's whereabouts or his control of Scientology. Would you do that, please.

A. Okay. Part of the attempt to hide Mr. Hubbard, hide the control, began with the whole operation on board the ship, itself. We did not hold ourselves out to be Scientology in these foreign countries. We called ourselves Operation and Transport Corporation, Limited. And we told the local people that we were a business management corporation. And that we had -- If someone asked about Scientology, we would deny any connection to Scientology. If people asked if Mr. Hubbard was on board, we would deny if Mr. -- that Mr. Hubbard was on board. I, myself, drilled countless people to tell those stories.

We had a number of what were called shore stories on board the ship. And Mr. Hubbard's position onboard and what we were doing were hidden from the local people.

When we came ashore in -- to Clearwater, the same situation existed. We came into Clearwater under the name United Churches of Florida, and I was part of the organization called UCE, United Churches Extention, and we were located in Dunedin. That's where Mr. Hubbard was and where his personal staff was.

Again, we were drilled on what to say, to deny his existence there. And we did not even use the name L. Ron Hubbard or Ron, even in telephone communications. All of us simply called him, at that time, the Boss. And people at that echelon in the organization knew to just talk about the Boss and not talk about L. Ron Hubbard.

It continued on to -- Mr. Hubbard left the area because he feared service of process in Florida, and went to Washington, D.C. And I then set up a staging area for him in Culver City in Los Angeles, California. And at that point, we had another cover. We were simply to be friends of Duke Snyder and Duke Snyder's uncle. Mr. Snyder's uncle. Again, it was a secret location. The communication lines ran from this apartment complex in Culver City via the Guardian's Office U.S., in Los Angeles and they were secret communication lines.

The same thing is true in La Quinta. When we were at La Quinta we were simply known variously as friends of Norton Carno. Norton Carno happened to be a tax attorney. And when we were shooting movies, we called ourselves Perfect Pictures. There were to be no Scientology insignia, no Scientology books around. It was not to be a Scientology operation. There were guards posted around Mr. Hubbard's house twenty-four hours a day, there were guards wherever he was. Each one of us was trained to deny that he lived there. We were trained to not accept service of process. We were trained -- we had a -- an early-warning system whereby we could simply hit a button on a walkie talkie and it would alert various people on the property so that he could make his getaway.

Q. Mr. Armstrong, what time period is this when we are talking about Gilman Hot Springs?

A. That's 1978. Did you wish me to quit?

Q. No, continue.

A. Okay.

Q. Could you throw in time periods every once in a while?

A. Okay. And when we moved to -- that continued until we left the La Quinta area in December 1978. At Gilman Hot Springs, Mr. Hubbard did not reside on the property. He came to the property a number of times. He came in the back of a van and I was -- because I was the head of the Household Unit at the Gilman Hot Springs property, I was responsible for Mr. Hubbard's security on his arrival at the property. Even the vast majority of the staff members on the Gilman Hot Springs property did not know of his arrival, and it was all very secret. And communications to him from the Gilman Hot Springs property, which was a relay point to Scientology organizations internationally, went via mail drop. So there was a relay point, mail was transferred from one person to another person in Hemet. Mr. Hubbard lived in Hemet and there was a switch which occurred, so that the person who left the Gilman Hot Springs property was not the person who finally arrived at Mr. Hubbard's place with the mail.

Things changed again at the beginning of 1980 when Mr. Hubbard dropped out of sight. Those of us at my level in the organization knew that a communication could be gotten to Mr. Hubbard, but we could not admit to such a communication to Mr. Hubbard or that such a line existed because of the attempts being made in various jurisdictions to serve him with a subpoena or summons.

That's really the picture. There is more details, but that brings us up to the time when I was last in the organization.

Q. Mr. Armstrong, are you aware of the organization's planting of agents in governmental offices or attorneys offices to protect Mr. Hubbard from being served or processed?

A. I have no firsthand knowledge of that.

Q. Did you read any documents while you were in Scientology that concerned those kinds of activities?

A. I know of this project.

MR. COOLEY: I object. No proper foundation laid, Your Honor. He has no firsthand knowledge.

THE COURT: Lay a foundation.

BY MR. WADE: (Continuing)

Q. When you say "this project", were you talking about Code Name Power?

A. Yes.

Q. That's the project in Exhibit 203?

A. Yes.

Q. What other document have you review concerning Code Name Power?

A. Outside of Power were a number of other projects which sprung from it, and I have seen at least some of those.

Q. Would you describe the documents you saw and what they stated.

A. These were compliance reports in the main from the Guardian's Office.

Q. What did those compliance reports state?

MR. COOLEY: I object, Your Honor. On the grounds of stating what documents said that he saw from the Guardian's Office. I think that's improper.

THE COURT: Overruled.

BY MR. WADE: (Continuing)

Q. Please state your rememberance of what was contained in the documents, these compliance reports.

A. They were compliance reports or projects or programs which came out of this program they had to do with the establishment of lines by which it could be determined if this was an attempt by the government to subpoena or serve Mr. Hubbard.

Q. What do you mean by establishment of lines?

MR. COOLEY: I object. Your Honor, could I ask a question in aid of objection?

THE COURT: Sure.

VOIR DIRE EXAMINATION

BY MR. COOLEY: (Continuing)

Q. When did you see these compliance reports?

A. The earliest ones that I saw were in the beginning of 1976.

Q. Were you in the Guardian's Office at that time?

A. No. I had this file, Program Power.

Q. What position did you hold at that time?

A. Deputy LRH External Communications Aid.

Q. How did you come to see these compliance reports?

A. Because they were being sent in to Mr. Hubbard.

Q. By whom?

A. Guardian's Office.

Q. And you were handling the transmission of those to

Mr. Hubbard?

A. That's correct.

Q. They came to you unsealed?

A. A lot of them did. They were then put -- some of them came sealed. They were taken out of the envelopes, put on the outside of the file and sent to Mr. Hubbard.

Q. And you, of course, read them?

A. A great number of them, yes.

MR. COOLEY: My only objection is reciting from documents that we don't have here, Your Honor.

THE COURT: Go ahead, Mr. Wade. Overruled.

CONTINUED DIRECT EXAMINATION

BY MR. WADE:

Q. Would you continue and tell the jury, I think the last question -- What was the last question I asked?

MR. COOLEY: What was in the compliance reports.

BY MR. WADE: (Continuing)

Q. What was in the compliance reports?

A. I cannot tell you the names of the agencies involved. I could perhaps recognize the documents if I had them, but I don't have them. But they did have to do with the establishment of people in agencies so that they would be able to monitor -- I believe was the word which appeared -- the government's intention regarding Mr. Hubbard's involvement, Mr. Hubbard being served, potential liability of that.

Q. Thank you, Mr. Armstrong.

MR. WADE: Please hand the witness Exhibits 157, 227, and 231.

THE COURT: What numbers again?

MR. WADE: 157, 227 and 231; these are exhibits that are already in evidence.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, 157 is a document already in evidence and Mr. Walters, who testified before you, explained a little bit of what the document was. Would you please tell the jury what Exhibit 157 is.

MR. COOLEY: I object. This man wasn't even in Scientology when this exhibit was prepared.

THE COURT: I don't know what the --

MR. WADE: Your Honor --

THE COURT: May I see it a moment, please.

Okay. I see what it is and we do have a little bit of a problem.

Gentlemen.

(Following proceedings held in chambers.)

MR. COOLEY: This exhibit, I can't tell when every part of it was prepared and I may have misspoken, maybe parts of it was prepared while he was in Scientology. I note, however, on the fourth page of the exhibit there's a reference to something that happened in early 1981, and my recollection is --

MR. WADE: He left in December of '81.

MR. COOLEY: Yes, and a portion of this was written in -- because it talks about the appeal.

THE COURT: Either he knows about it because he is there or he doesn't, Ron.

MR. WADE: This document is dated August of 1981. He was in the Church through December of 1981. It's already in evidence.

THE COURT: It is in evidence.

MR. WADE: What I am going to do, I'm going to have him read sections for the jury and tell jury what are R advises mean and senior advises mean, because he can interpret -- give the jury definigions of what those advises are.

THE COURT: Haven't we heard that once?

MR. COOLEY: We certainly have.

MR. WADE: Mr. Walters started to go through it and you stated you thought it was maybe not the proper witness for this.

THE COURT: I said that?

MR. MANION: That's not my recollection.

MR. COOLEY: It's in the record.

MR. WADE: He did not know what R advises were. Mr. Walters was asked about R advises and senior advises. He said he didn't know what they were.

THE COURT: Your only reason for doing this is to define certain terminology?

MR. WADE: Yes, Your Honor, and we want to have this witness read it into the record.

THE COURT: Why don't you ask him what does R something mean.

MR. COOLEY: I have objection to that.

MR. McMURRY: Have him look at the document until he sees R advises and then read it.

THE COURT: Just ask him what it means.

MR. McMURRY: Just say, "What does R advises mean in that document?"

MR. COOLEY: I have no objection to that.

THE COURT: All right.

(Following proceedings held in the presence of the jury.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to Exhibit 157, there are certain references to senior advices and to R advises. What are senior advises and what are R advises?

A. Those were names which were used -- senior advises and R advises were designations given to LRH orders.

Q. Both of them. Both of them mean LRH orders?

A. Yes.

Q. Do you know why the organization started using senior advises and R advises instead of LRH orders?

A. In order to hide the control.

Q. Mr. Armstrong, I would like to take you back to the point in your testimony when you were discussing -- when you first discovered the inconsistencies between the documents you were reviewing and the biographies and other published information of the Church concerning Mr. Hubbard. After you found out about those inconsistencies, who did you talk to about them and what took place after that time?

A. I talked to Laurel Sullivan, who is the LRH Personal Public Relations Officer. Initially, with Laurel, I ran into complete unacceptance of what I said. And she did not want to hear it. And she, in fact, yelled at me. Subsequently she did see that what I had been saying was, in fact, the truth and acknowledged the fact that she had been, herself, promoting these inaccuracies and lies.

Q. What was her position at that time?

A. She was the LRH Personal Public Relations Officer.

Q. Continue, please.

A. I spoke to Julia Watson. Julia Watson was in a project called Special Project, and it was also in something called Mission All Clear. And she was more accepting of what I said. In fact, she was willing to try to change some of the biographical material which had been published. I did -- again I ran into a great deal of difficulty with her in the acceptance of the fact that it was Mr. Hubbard who had originated the various lies and misrepresentations. I talked to Barbara De Celle. Barbara De Celle was a person in the Public Realtions Bureau.

Just prior to my leaving, she became my organizational senior. This is after Laurel Sullivan was removed from the post of LRH Personal Public Relations Officer. Barbara seemed to also be somewhat accepting of what I was saying. She acknowledged that, indeed, there were misrepresentations.

I also talked to Norman Starkey. Norman Starkey was the second in charge of the Special Project, the project which had been assigned as a CMO mission to resolve Mr. Hubbard's legal difficulties. He was part of Mission All Clear. With Norman Starkey, I ran into a great deal of problems. He would not acknowledge that anything I said was with true. He would not acknowledge that Mr. Hubbard had said these things about himself. And when I pointed out to Norman the representation about Mr. Hubbard being an atomic physicist, in Mr. Hubbard's own handwriting, he became quite angry and he ordered that I be sec checked. I did not hear of this until I was called from Los Angeles out to Gilman Hot Springs by one of the CMO executives at Gilman Hot Springs. And this was the end of November 1981.

And there was an extreme reluctance on Norman's part to acknowledge what indeed Mr. Hubbard had been saying all these years was a lie. And it was in part Starkey's reaction and my inability to -- with any of these people bring about a real acknowledgment of what Hubbard had been up to, and the fact that instead of his recognition that I was doing something decent and worthwhile in trying to get the organization to become honest, his idea was to have me security checked. And a security check is not a particularly pleasant thing to undergo. And it was around that time that I made the decision to leave the organization.

Q. Did you thereafter leave?

A. Yes.

MR. COOLEY: Could we have a date on that, Your Honor.

THE WITNESS: 12 December 1981.

BY MR. WADE: (Continuing)

Q. What is your profession now, Mr. Armstrong?

A. I'm a writer and artist.

MR. WADE: No further questions. Thank you.

THE COURT: Well, for being so attentive all week and following all the Court's instructions so diligently all week, we will quit early.

I thought that would get some sort of response.

All right. Now, once again, because it's a weekend, I'm going to go through the things that are important for you to remember. Do not discuss the case amongst your family, friends, acquaintances, anyone at all. Do not allow anyone to discuss the case with you. If anyone should attempt to contact you or communicate with you in anyway regarding this case, I want you to report it immediately to the Court. We are starting to draw some media attention. We have been drawing media attention. It's going to be on the increase, I think. Please refrain from reading newspaper accounts regarding this case, avoid listening to radio accounts regarding this case, avoid television regarding this case. Now, I'm serious about all three of those. It could be highly prejudicial to one side or the other. Simply avoid doing it.

Okay? Leave year notes in the jury room. We will reconvene at 9:30 Monday morning. Have a nice weekend.

(Jury was excused.)